

# **Metsimaholo Local Municipality**



## **2015/2016 Medium Term Revenue and Expenditure Framework (MTREF)**

### **Budget Document**

**May 2016**

## Table of Contents

ANNEXURE .....	
<b>PART 1 – ANNUAL BUDGET .....</b>	<b>2</b>
1.1 MAYOR'S REPORT.....	2
1.2 COUNCIL RESOLUTIONS .....	3
1.3 EXECUTIVE SUMMARY .....	3
1.4 OPERATING REVENUE FRAMEWORK .....	9
1.5 OPERATING EXPENDITURE FRAMEWORK.....	67
1.6 CAPITAL EXPENDITURE .....	85
1.7 ANNUAL BUDGET TABLES .....	89
<b>PART 2 – SUPPORTING DOCUMENTATION .....</b>	<b>113</b>
2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS.....	113
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP .....	117
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS .....	128
2.4 OVERVIEW OF BUDGET RELATED-POLICIES .....	137
2.5 OVERVIEW OF BUDGET ASSUMPTIONS .....	138
2.6 OVERVIEW OF BUDGET FUNDING .....	141
2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS.....	137
2.8 COUNCILLOR AND EMPLOYEE BENEFITS.....	154
2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW.....	157
2.10 ANNUAL BUDGETS AND SDBIPs – INTERNAL DEPARTMENTS.....	162
2.11 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS .....	184
2.12 CAPITAL EXPENDITURE DETAILS .....	184
2.13 LEGISLATION COMPLIANCE STATUS .....	190
2.14 OTHER SUPPORTING DOCUMENTS.....	191
2.15 MUNICIPAL MANAGER'S QUALITY CERTIFICATE .....	167

## List of Tables

Table 1 Consolidated Overview of the 2014/15 MTREF .....	7
Table 2 Summary of revenue classified by main revenue source.....	10
Table 3 Percentage growth in revenue by main revenue source .....	11
Table 4 Operating Transfers and Grant Receipts.....	12
Table 5 Comparison of proposed rates to levied for the 2014/15 financial year .....	15
Table 6 Proposed Water Tariffs .....	17
Table 7 Proposed electricity tariff.....	19
Table 8 Comparison between current electricity charges and increases (Domestic).....	21
Table 9 Proposed sanitation tariff.....	22
Table 10 Proposed waste removal.....	25
Table 11 MBRR Table SA14 – Household bills.....	26

Table 12 Sundry tariffs.....	27
Table 13 Summary of operating expenditure by standard classification item.....	76
Table 14 Operational repairs and maintenance .....	83
Table 15 Repairs and maintenance per asset class.....	84
Table 16 2011/12 Medium-term capital budget per vote .....	85
Table 17 MBRR Table A1 - Budget Summary .....	89
Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).....	92
Table 19 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote) .....	94
Table 20 Surplus/(Deficit) calculations for the trading services .....	95
Table 21 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure) .....	97
Table 22 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source.....	100
Table 23 MBRR Table A6 - Budgeted Financial Position .....	102
Table 24 MBRR Table A7 - Budgeted Cash Flow Statement .....	104
Table 25 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation .....	105
Table 26 MBRR Table A9 - Asset Management.....	107
Table 27 MBRR Table A10 - Basic Service Delivery Measurement .....	110
Table 28 IDP Strategic Objectives .....	111
Table 29 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue .....	124
Table 30 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure.....	125
Table 31 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure.....	125
Table 32 MBRR Table SA7 - Measurable performance objectives.....	131
Table 33 MBRR Table SA8 - Performance indicators and benchmarks.....	133
Table 34 Breakdown of the operating revenue over the medium-term .....	141
Table 35 MBRR SA15 – Detail Investment Information .....	144
Table 36 MBRR SA16 – Investment particulars by maturity.....	144
Table 37 Sources of capital revenue over the MTREF .....	145
Table 38 MBRR SA10 – Funding compliance measurement.....	147
Table 39 MBRR SA19 - Expenditure on transfers and grant programmes .....	151
Table 40 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds.....	152
Table 41 MBRR SA22 - Summary of councillor and staff benefits .....	154

Table 42 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers) .....	154
Table 43 MBRR SA24 – Summary of personnel numbers .....	155
Table 44 MBRR SA25 - Budgeted monthly revenue and expenditure .....	158
Table 45 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote) .....	159
Table 46 MBRR SA30 - Budgeted monthly cash flow .....	159
Table 47 MBRR SA 34a - Capital expenditure on new assets by asset class .....	184
Table 48 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class.....	186
Table 49 MBRR SA34c - Repairs and maintenance expenditure by asset class.....	186
Table 50 MBRR Table SA1 - Supporting detail to budgeted financial performance .....	192
Table 51 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department).....	192
Table 52 MBRR Table SA3 – Supporting detail to Statement of Financial Position .....	198
Table 53 MBRR Table SA9 – Social, economic and demographic statistics and assumptions.....	198

## List of Figures

Figure 1 Main operational expenditure categories for the 2014/15 financial year .....	82
Figure 2 Capital Infrastructure Programme .....	88
Figure 3 Expenditure by major type.....	99
Figure 4 Depreciation in relation to repairs and maintenance over the MTREF .....	109
Figure 5 Planning, budgeting and reporting cycle .....	129
Figure 6 Definition of performance information concepts.....	130
Figure 7 Breakdown of operating revenue over the 2014/15 MTREF .....	142
Figure 8 Sources of capital revenue for the 2014/15 financial year .....	146

## Annexure

Annexure A Detailed Capital Budget per project.....	
Annexure B Time schedule.....	
Annexure C mSCOA self-assessment.....	
Annexure D Project Plan.....	

## Abbreviations and Acronyms

AMR	Automated Meter Reading	MEC	Member of the Executive Committee
ASGISA	Accelerated and Shared Growth Initiative	MFMA	Municipal Financial Management Act Programme
BPC	Budget Planning Committee	MIG	Municipal Infrastructure Grant
CBD	Central Business District	MM	Municipal Manager
CFO	Chief Financial Officer	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GFS	Government Financial Statistics	PMS	Performance Management System
GRAP	General Recognised Accounting Practice	PPE	Property Plant and Equipment
HR	Human Resources	PPP	Public Private Partnership
HSRC	Human Science Research Council	PTIS	Public Transport Infrastructure System
IDP	Integrated Development Strategy	RG	Restructuring Grant
IT	Information Technology	RSC	Regional Services Council
IBT	Inclining Block Tariff	SALGA	South African Local Government Association
kl	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		
l	litre		
LED	Local Economic Development		

## Part 1 – Annual Budget

### **1.1 Mayor's Report**

**To be circulated under separate cover**

## 1.2 Council Resolutions

The Council approved the annual budget of the municipality for the financial year 2016/17 and indicative budgets for the two projected outer years 2017/2018 and 2018/2019 as set out, subject to the following resolutions

The Council, in terms of Section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts **the following resolutions:**

**1. The annual budget of the municipality for the 2016/17 financial year and the multi-year and single-year capital appropriations as set out in the following tables:**

- 1.1 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 18 on page 92
- 1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19 on page 94;
- 1.3 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page 97; and
- 1.4 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 22 on page 100

**2. The financial position, cash flow budget, reserve/accumulated surplus, asset management and basic service delivery targets are noted as set out in the following tables:**

- 2.1 Budgeted Financial Position as contained in Table 23 on page 102;
- 2.2 Budgeted Cash Flows as contained in Table 24 on page 104
- 2.3 Reserves and accumulated surplus reconciliation as contained in Table 25 on page 105
- 2.4 Asset management as contained in Table 26 on page 107; and
- 2.5 Basic service delivery measurement as contained in Table 27 on page 110.

**3. The Council, in terms of Section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves the tariffs with effect (billing) from 1 July 2016:**

- |  |                            |
|--|----------------------------|
| 3.1 The tariffs for property rates                   | – as set out on page 15    |
| 3.2 The tariffs for electricity                      | – as set out on page 19-20 |
| 3.3 The tariffs for the supply of water              | – as set out on page 17-18 |
| 3.4 The tariffs for sanitation services              | – as set out on page 22-24 |
| 3.5 The tariffs for solid waste services (cleansing) | – as set out on page 25    |

**4 The Council, in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) considered with effect (billing) from 1 July 2016 the tariffs for other services, as set out on page 27 to 75 respectively.**

**5. The capital projects to be financed from own funds (accumulated surplus) be implemented subject to the improvement of the cash flow position of the Municipality and subject to affordability**

6. The Council further approves and authorises the Accounting Officer to, after consulting with the Executive Mayor and Chief Financial Officer implement a surcharge on the tariffs approved by council should the Bulk Tariffs for Water and/or Electricity change during the course of the year, and inform the Council at the next meeting; publish in a newspaper of general circulation in the municipality a notice informing the public of the surcharge; the date that the surcharge comes into effect and reasons for the surcharge and forthwith send a copy of the notice to the MEC for Local Government
7. Council approve that the municipality raise an overdraft facility of R7 million with its primary bankers for utilisation in the 2016/17 financial year.
8. The Policies are revised; refer to page 137 and 138.
9. The capital projects/items to be financed from own funds (accumulated surplus) be implemented/purchased subject to the improvement of the cash flow position of the Municipality and subject to affordability
10. The accounting Officer implemented cost cutting measures and restrictions on:
  - Catering
  - Travel and accommodation
11. The Accounting officer undertakes a cost benefit analysis on the Government Garage costs.
12. The tariff modelling exercise be finalised and a report be submitted to Council for consideration of tariffs in the next budget cycle.



### 1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low to high priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on non-core and 'nice to have' items.

The Municipality will embark on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality will undertake various customer care initiatives to ensure that the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 51, 54, 58, 59, 64, 66, 67, 70, 72, 74, 75, 78 and 79 were used to guide the compilation of the 2016/17 MTREF.

**The challenges in preparing the 2016/17 MTREF are as follows:**

- Ageing and poorly maintained water, electricity and roads infrastructure
- Increased prices of goods and service above the inflation rate
- Some private developments and industries receive services direct from Eskom and Rand water with no direct benefit to the municipality
- Limitation of capital projects from own funds
- Wage increases above the inflation target (Bargaining Council Agreement)
- Critical vacancies can only be phased in over 3-5 years based on the affordability
- Plant hire on a regular basis is costly and alternatives need to be explored
- Expired tenders need to be regularised to avoid recurring irregular expenditure
- Distribution losses- water and electricity require a minimisation strategy
- Illegal connections to be addressed and eliminated altogether
- Fleet management (Cost of repairs and fuel)- needs to be addressed
- Government garage costs to be evaluated against the Council owning its vehicles and reducing costs
- Overtime cost to be analysed and minimized
- Declining profit on water and electricity
- Tariffs are not cost reflective – studies in progress and strategy developed for alignment
- The need to reprioritize projects and expenditure within the existing limited resources envelope given the cash flow realities
- The increased cost of bulk water and electricity(due to tariff increases from Rand Water and Eskom),which places constant upward pressure on service tariffs to the community,
- A lack of proper maintenance master plans,
- Unfunded Mandates (Libraries, EMS) to be underpinned with appropriate service level agreements,
- Organisational review –process has commenced and needs to be speeded up.

**The following budget principles and guidelines directly informed the compilation of the 2016/17 MTREF:**

- The 2015/16 Adjustments Budget priorities and targets,
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity;
- Tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- The water and electricity budget made provision for reduced distribution losses (technical and non-technical losses).

**Operating Budget (OPEX)**

- Zero based budgeting and incremental budgeting was used, based on historical trends, plus inflation in line with Treasury guidelines
- All increases more than the inflation rate have to be properly motivated.
- Professional fees to be unpacked

**Capital Budget (CAPEX)**

- Commitment letters for external funding will be a pre requisite for budgeting
- Outside funding not paid directly to the Municipality will not be reflected in the Budget
- Projects requiring external approvals will not be included without such approvals being obtained.
- Shifting of funds to be restricted up to the Adjustment Budget or in line with the approved Virement Policy
- Own funding to be in line with anticipated cash flows and affordability
- Own funding not to exceed the surplus on Operating Budget and cash backed accumulated surpluses
- Projects should support challenges identified and key priorities as adopted at the strategy planning workshop
- Feasibility study must be done between the use of Government Garage for vehicles and the purchase vehicles out right.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2016/17 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2016/17 MTREF**

	<b>Adjustment Budget</b>	<b>Medium Term Revenue and Expenditure Framework</b>		
	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Operating revenue	<b>945 089</b>	<b>1 047 398</b>	<b>1 121 695</b>	<b>1 199 455</b>
Operating expenditure	<b>915 072</b>	<b>998 836</b>	<b>1 084 688</b>	<b>1 147 202</b>
Capital expenditure	<b>151 718</b>	<b>113 245</b>	<b>127 977</b>	<b>122 425</b>

#### **Total operating revenue**

- The operating revenue exceeds R1 billion for the first time
- Has grown by 10.8 per cent or R102 million for the 2016/17 financial year when compared to the 2015/16 Adjustments Budget.
- For the two outer years, operational revenue will increase by 7.0 and 6.9 per cent respectively, equating to a total revenue growth of R254.4million over the MTREF.
- Included in revenue are grants for operating expenditure and capital projects.

#### **Total operating expenditure**

- For the 2016/17 financial year the operating expenditure appropriation is R998,836 million and translates into a budgeted surplus of R48.6 million.
- Compared to the 2015/16 Adjustments Budget, operational expenditure has increased by 9.2 per cent in the 2016/17 budget and
- For the two outer years of the MTREF, operational expenditure has grown by 8.6% and 5.8% respectively.
- The operating surplus for the two outer years is R37 million and to R52.2 million.

#### **The capital budget**

- The capital budget for 2016/2017 is R113.2 million.
  - The R45.2m (39.9%) is expected to be funded from internally generated funds.
  - Government Grants make totalling R 59.6 million make up 52.7% of the capital expenditure.

- The capital programme increases to R1278 million in the 2017/18 financial year and then reduces to R122 million in 2018/19.
- The capital budget remains relatively flat over the medium-term due to constraints on internally funded capital projects due to cash flow considerations

## 1.4 Operating Revenue Framework

The Municipality to continue improving the quality of services provided to its citizens it needs to enhance its revenue base. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

**The municipality's revenue strategy is underpinned by around the following key components:**

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 85-90 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.
- Tariffs to be aligned to inflation target, except where input cost for services are beyond the control of the municipality.
- Water and electricity losses of 15% and 8% respectively (technical and non-technical)
- Historical debt collection rates taken into account in determining the collection rate.
- Establishment of an in-house debt management department
- Implementation of strict credit control measures

The following table is a summary of the 2016/17MTREF (classified by main revenue source):

**Table 2 Summary of revenue classified by main revenue source**

Description R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue By Source</b>											
Property rates		92,485	96,376	111,299	107,386	103,140	103,140	–	113,366	120,916	128,546
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue		164,079	178,217	195,341	243,223	241,053	241,053	–	284,053	312,458	343,704
Service charges - water revenue		155,164	175,524	249,416	307,067	298,555	298,555	–	349,547	371,219	393,121
Service charges - sanitation revenue		14,677	16,150	18,087	24,250	19,894	19,894	–	21,545	22,880	24,230
Service charges - refuse revenue		16,081	17,390	23,796	35,618	26,678	26,678	–	27,807	29,531	31,274
Service charges - other		6,743	11,487	1,071	8,313	10,959	10,959	–	13,429	13,899	14,483
Rental of facilities and equipment		4,514	4,858	4,600	5,272	5,112	5,112	–	5,780	5,922	6,189
Interest earned - external investments		1,543	1,694	2,167	2,000	2,560	2,560	–	2,600	2,600	2,600
Interest earned - outstanding debtors		13,900	17,139	14,576	18,171	18,171	18,171	–	18,940	19,745	19,963
Dividends received		–	78	88	–	–	–	–	–	–	–
Fines		4,194	15,855	22,876	6,024	5,024	5,024	–	3,025	3,188	3,360
Licences and permits		120	146	149	181	181	181	–	191	201	212
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		97,822	104,642	112,034	125,831	125,831	125,831	–	131,694	152,642	162,217
Other revenue		4,779	2,947	18,661	5,860	6,075	6,075	–	7,328	7,820	8,154
Gains on disposal of PPE		4,132	7,589	2,314	5,000	5,001	5,001	–	1,001	200	2,584
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>580,233</b>	<b>650,090</b>	<b>776,474</b>	<b>894,195</b>	<b>868,234</b>	<b>868,234</b>	<b>–</b>	<b>980,306</b>	<b>1,063,222</b>	<b>1,140,637</b>

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement.

**Table 3 Percentage growth in revenue by main revenue source**

	Medium Term Revenue and Expenditure Framework							
	2015/2016		2016/2017		2017/2018		2018/2019	
	R'000	%	R'000	%	R'000	%	R'000	%
Property rates	103,140	<b>10.9</b>	113,366	<b>10.8</b>	120,916	<b>10.8</b>	128,546	<b>10.7</b>
Electricity	241,053	<b>25.5</b>	284,053	<b>27.1</b>	312,458	<b>27.9</b>	343,704	<b>28.7</b>
Sanitation	19,894	<b>2.1</b>	21,545	<b>2.1</b>	22,880	<b>2.0</b>	24,230	<b>2.0</b>
Water	298,555	<b>31.6</b>	349,547	<b>33.4</b>	371,219	<b>33.1</b>	393,121	<b>32.8</b>
Refuse removal	26,678	<b>2.8</b>	27,807	<b>2.7</b>	29,531	<b>2.6</b>	31,274	<b>2.6</b>
Other service charges	10,959	<b>1.2</b>	13,429	<b>1.3</b>	13,899	<b>1.2</b>	14,483	<b>1.2</b>
Govt grants – operating	125,831	<b>13.3</b>	131,694	<b>12.6</b>	152,642	<b>13.6</b>	162,217	<b>13.5</b>
<b>Govt grants –capital transfer</b>	76,855	<b>8.1</b>	67,092	<b>6.4</b>	58,473	<b>5.2</b>	58,818	<b>4.9</b>
Fines/Penalties	5,024	<b>0.5</b>	3,025	<b>0.3</b>	3,188	<b>0.3</b>	3,360	<b>0.3</b>
Interest Debtors	18,171	<b>1.9</b>	18,940	<b>1.8</b>	19,745	<b>1.8</b>	19,963	<b>1.7</b>
Interest	2,560	<b>0.3</b>	2,600	<b>0.2</b>	2,600	<b>0.2</b>	2,600	<b>0.2</b>
Licences and permits	181	<b>0.0</b>	191	<b>0.0</b>	201	<b>0.0</b>	212	<b>0.0</b>
Rental of facilities	5,112	<b>0.5</b>	5,780	<b>0.6</b>	5,922	<b>0.5</b>	6,189	<b>0.5</b>
Other	6,075	<b>0.6</b>	7,328	<b>0.7</b>	7,821	<b>0.7</b>	8,154	<b>0.7</b>
Profit on sale of Land	5,001	<b>0.5</b>	1,001	<b>0.1</b>	200	<b>0.0</b>	2,584	<b>0.2</b>
	<b>945,089</b>	<b>100</b>	<b>1,047,398</b>	<b>100</b>	<b>1,121,695</b>	<b>100</b>	<b>1,199,455</b>	<b>100</b>

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise nearly three quarters of the total revenue mix. In the 2015/16 financial year, revenue from rates and services charges totalled R689 million or 72.9 per cent.

This increases to R796 million, R857 million and R921million respectively for the MTREF. The percentage revenue generated from rates and services charges varies marginally from 76 per cent in 2016/17 to 76.8per cent in 2018/19.

Operating grants and transfers totals R131.7 million in the 2016/17 financial year and steadily increases to R162.2 million by 2018/19. Note that the year-on-year growth for the 2016/17 financial year 4.7 per cent and increases by 15.9 and 6.3 per cent in the two outer years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

**Table 4 Operating Transfers and Grant Receipt**

	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>	
	R'000	R'000	R'000	R'000	
Equitable Share	115,423	125,978	140,738	155,882	Allocated for Free Services
Financial Management Grant	1,600	625	1,700	1,955	Appointment of Interns and training
Water services Operating Grant	0	0	0	0	Salaries and materials at the purification works Deneysville
Municipal System Improvement Grant	930	0	0	0	Ward committee and Asset register expenditure
Municipal Infrastructure Grant	1,858	2,031	2,204	2,380	Salaries and operating expenditure at Project Management Unit
Extended Public Works Programme	1,020	1,060	0	0	Salaries for temporary staff
Energy efficiency and demand side management grant	3,000	0	6,000	0	Maintenance of electricity network
Refund Libraries	2,000	2,000	2,000	2,000	Payment of library function
<b>Total</b>	<b>125,831</b>	<b>131,694</b>	<b>152,642</b>	<b>162,217</b>	



Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6.6 per cent upper limit of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of both Eskom and Rand Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's expenditure and these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, etc.

The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

#### **1.4.1 Property Rates**

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009. The Property Rates Policy of the Municipality is in keeping with the Circular 51.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R20 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- Maximum of R50 subsidy is granted to registered indigents in terms of the Indigent Policy and free basic service as per Council resolution;
- For pensioners, physically and mentally disabled persons, *a maximum/total rebate of 30 per cent will be granted to owners of rate-able property if the total gross income does not exceed R7 500 per month of the applicant and/or his/her spouse, if any.* In this regard the following stipulations are relevant:

- The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
  - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
  - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
  - The property must be categorized as residential.
- The Municipality may award up to 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2016/17 financial year based on a 8 per cent increase from 1 July 2016 is contained at table 5:

**Table 5 Comparison of proposed rates to levy for the 2016/17 financial year**

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

	<b>Actual 2015/2016</b>	<b>Proposed 2016/2017</b>
Heavy Industries	0.03684	0.03978
Light Industries	0.03684	0.03978
Businesses	0.01473	0.015901
State property	0.01473	0.015901
Domestic and other	0.00736	0.00794
<u>Farmland:</u>		
Residential	0.00368	0.00397
Businesses	0.00736	0.00794
Industries	0.01845	0.01993
Private owned towns, Body Corporate, Sectional Titles	0.00368	0.00397
Mining	0.01845	0.01992
Agricultural	0.00185	0.00199
Unregistered Erven	Municipal services charges equal to category of property	Municipal services charges equal to category of property

The rebate allocated to approved indigents for Assessment Rates is **a maximum of R50.00** per month. **For budget purposes the assumption was made that there will be 14 000 approved indigents registered by the end of the 2016/17 financial year.** Additional income at 8 % tariff increase of assessment rates represents R9 350 070 per annum. The supplementary valuation roll will be implemented with effect from 1 July 2016.

#### 1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure that:

- Water tariffs must be fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- A detail analysis of the cost of water must be done in the 2015/16 financial year. The process is not yet completed
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

Better maintenance of infrastructure, new reservoir construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

**Rand Water proposed an increased its bulk tariffs by 11.9 per cent from 1 July 2016. The outcome of the tariff discussions, with final approval from the Minister, is not yet known.**

Rand Water has undertaken a critical assessment of its capital infrastructure requirements. The assessment indicates that Rand Water's current infrastructure is unlikely to sustain its long-term ability to supply water and they had no other choice but to enter capital markets to raise funding for infrastructure upgrades, hence the significant increase in the bulk cost of water.

An inclining block tariff from 1 July 2014 for water was implemented. The consumption tariff for water increase of 10 per cent is expected. The effect thereof will be that the higher the consumption, the higher the cost per kilolitre. The aim is to subsidise the lower consumption users (mostly the poor).

Water tariff at a housing complex is a challenge. An example of 10 households per complex, the consumption will be recalculated to 1 (consumption divided by 10). Consumption is then charge according to the tariff of the inclining blocks.

The consumption tariff increase for water is set at 6 per cent, although the input cost assumptions of 10-14 per cent increase in the cost of bulk water (Rand Water), the cost of other inputs increasing and a surplus generated on the water service. A basic water service charge of R20 per month will be levied to each household. In addition 6 kℓ water per 30-day period (73 kℓ free basic water per annum) will be granted to all residents. An approved indigent will receive 6kℓ of water free (previously 10kℓ). The basic water charges to approved indigent households will

fully be subsidised. A total of R20.4 million is allocated from Equitable Share in respect of free basic water. Proposed increase represents R39 million per annum. The increase in tariffs will be subject to the final increase in tariff of bulk purchase and WRC levy. 6kl free water to non-indigent will be phased out in 2017/2018.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

**Table 6 Proposed Water Tariffs**

<b>Basic Charges</b>	<b>2015/2016</b>	<b>2016/2017</b>
	R	R
Churches	29.33	32.82
Businesses	116.09	129.90
Light Industries	150.43	168.33
Heavy Industries		
20 000 kl	195.26	218.50
40 000 kl	981.10	1 097.85
Above	2 450.16	2 741.73
<b>Residential</b>		
Vacant stands	58.00	64.90
All other residential stands	0	20.00
<b>Oranjeville</b>		
Co-operatives	1 187.48	1 306.23

**Water consumption tariff (VAT exclusive)**

	2015/2016	2016/2017
Domestic		
>0 up to and including 6 kl	R7.70	R8.62
>6 up to and including 12 kl	R15.40	R17.23
>12 up to and including 20 kl	R17.60	R19.69
>20 up to and including 30 kl	R20.90	R23.39
>30 up to and including 45 kl	R24.20	R27.08
>45 kl	R27.50	R30.77
Schools	R17.60/kl	R19.69/kl
State property (excl. residential properties)	R17.60/kl	R19.69kl
Businesses	R17.60/kl	R19.69kl
Light Industries	R18.70/kl	R20.57/kl
Heavy Industries	R18.70/kl	R20.93/kl

Guest houses are operated as businesses and are levied as businesses.

**1.4.3 Sale of Electricity and Impact of Tariff Increases**

NERSA has announced the revised bulk electricity pricing structure. **A 7.64 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2016.**

**The consumer tariff could only be increased by 7.64 per cent as per guideline from NERSA.** Furthermore, it should be noted that the input costs are increasing at a higher rate than the rate of increases passed on to consumers. The declining margins will impact negatively on the budget of the municipality.

Free basic electricity is only given to registered indigents. Basic services charges have also introduced to all households with prepaid electricity meters at R20.00 per month. Approved indigent households are fully subsidised. Basic charges for domestic consumers that have conventional meters were initiated by NERSA approval from 1 July 2015.

The detailed analysis of the cost of electricity is in process in the 2015/16 financial year and must still be finalised.

Approval must be obtained from NERSA for the increase of 7.64 % in tariff.

The service reflects a surplus of R42 million, however, this is partly as a result of the conditional capital grant of R18 million that is allocated to the operating budget.

Any additional increase in tariffs by ESKOM will influence tariffs.

**Table 7 Proposed Electricity Tariffs**

***Basic Service charges for Electricity (VAT exclusive)***

	2015/2016	2016/2017
Schools, Churches, Halls	R165.17	R177.78
Businesses, Offices, Hotels, clubs	R165.17	R177.78
Businesses Zamdela:		
Single phase	R165.17	R177.78
Three phase	R165.17	R177.78
Four meters	R320.35	R344.82
Bulk Supply	R320.35	R344.82
<b>Residential</b>		
Vacant stands	R84.00	R90.42
Domestic only consumers that have conventional meters	R50.00	R53.82
Domestic only consumers that have prepaid meters	R0	R20.00

The current tariffs (2015/2016) approved by NERSA are as follows:

<b>Tariff (VAT exclusive)</b>	<b>kWh</b>	<b>2015/2016</b>	<b>2016/2017</b>
Domestic Off peak(September to May)	>0 up to and including 50	R0.8136/kWh	R0.8758/kWh
	>50 up to and including 350	R1.02041kWh	R1.0984kWh
	> 350 up to and including 600	R1.410kWh	R1.5177kWh
	>600	R1.6260kWh	R1.7502kWh
Domestic Peak(June, July, August)	>0 up to and including 50	R0.8542/kWh	R0.9195/kWh
	>50 up to and including 350	R1.1224kWh	R1.2082kWh
	> 350 up to and including 600	R1.660kWh	R1.7868kWh
	>600	R1.8699kWh	R2.0128kWh
Businesses		R1.5456/kWh	R1.6637/kWh
Three Phase		R1.4642/kWh	R1.5761/kWh
Bulk		R0.7204/kWh	R0.7754kWh
Per KVA		R143.32	R154.26
Per kW		R143.32	R154.26
<b>Subject to NERSA approval</b>			



The following table shows the impact of the proposed increases in electricity tariffs on the charges for domestic customers:

**Table 8 Comparison between current electricity charges and increases (Domestic)**

Monthly Consumption kWh	Current Amount Payable R	Proposed amount payable R	Increase R	% Change	Peak/ Off Peak
100	91.70	98.71	7.01	7.64	Off Peak
	98.83	106.39	7.55	7.64	Peak
500	558.30	600.97	42.66	7.64	Off Peak
	628.43	676.46	48.02	7.64	Peak
1000	1,349.70	1,452.82	103.11	7.64	Off Peak
	1,542.39	1,660.26	117.87	7.64	Peak

An inclining block tariff structure was implemented from 1 July 2011. This was implemented and the effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

The Municipality furthermore implemented of a “Peak” and “Off-peak” tariff as the Municipality is subjected to this type of tariff by Eskom during the period between June, July and Aug.

The Main Substation for the supply of electricity for the Sasolburg area must be addressed as a matter of urgency and is expected that the upgrading should be done in the near future due to load growth. This investigation must be done not later than 2016 in order to make provision for the necessary funding.

It is also a recommendation by NERSA that a certain percentage of the revenue collected from the sale of electricity be utilized for the maintenance of the electrical network to ensure that it is maintained to the correct standard.

#### 1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 8 per cent for sanitation from 1 July 2016 is proposed. Sasol Chemical Industries operate the purification plant and 8% is the expected cost increase.

A detailed analysis of the cost of sanitation is in the process of being done and will be finalised in the 2016/17 financial year.

A tariff increase of 8 % is proposed, in order to have uniform tariffs on water borne sewer, except for the suction tanks which is in excess of 8% to make the tariff more cost reflective.

The basic charges of sewer for residents (households) will be subsidised by Council. An amount of R3.5 million is allocated from Equitable Share for this purpose. A further amount of R8.8 million is allocated from Equitable Share for additional sewer to all approved indigents.

**Table 9 Proposed Sanitation Tariffs**

**Tariffs (VAT exclusive)**

	<b>2015/2016</b>	<b>Proposed 2016/2017</b>
Domestic - Basic	Free. R10.48	R11.31
Residential vacant stand	R10.48	R11.31
<b>Sasolburg</b>	Actual cost by	Actual cost by
<b>Basic charges</b>	SCI plus 35%	SCI plus 40%
Heavy Industries		
Businesses		
<b>Additional</b>		
(a) Resident sewer	R85.06	R91.86
(b) Business sewer	R89.49	R96.65
(c) Flats	R6.35	R6.86
	R85.06	R91.86
(d) 2 <sup>nd</sup> Dwelling	R85.06+R85.06	R91.86+R91.86

(e) Industries sewer	R89.49	R96.65
(f) Day schools and Crèches	R29.13	R31.46
(g) Flats sewer	R85.06	R91.86
(h) Add units flats	R50.06	R54.06
 Suction tank per service  (if not available from municipality a private company must be utilised at the cost of the owner)	 R550.00	 R550.00
 Oranjeville Business	 R85.06	 R91.86
Metsimaholo Businesses	R85.06	R91.86
<i>Additional sewer</i>		
Water borne sewer Oranjeville/Metsimaholo	R58.68	R63.37
 <b>Basic sewer</b>		
Refengkgotso/Phomolong:		
Businesses	R85.06	R91.86
Water borne sewer Refengkgotso/Phomolong	R58.68	R63.37
 Bucket services system	 R25.72	 R27.78

<b>Rural areas: Suction Tank Services</b>		
<b>Areas that are not included in the disestablished towns (No Rates Payable)</b>		
Normal working hours	R1 580.00/Service	R 1 580/service
After hours	R3 160.00/Service	R 3 160/service
<b>Areas with discounted rates:</b>		
Normal working hours	R1 580.00/Service	R 1 580/service
After hours	R3 160.00/Service	R 3 160/service

Guest houses are levied at the same rates as business.

The total revenue expected to be generated from rendering this service amounts to R34.9million for the 2016/17 financial year.

The service reflects a deficit of R16 million for the 2016/17 budget year.

The service reflects a deficit for the 2017/18 and a surplus for 2017/18 budget year due to capital grant that reflects as revenue. Refer to Table 20 on page 95.

#### 1.4.5 Waste Removal and Impact of Tariff Increases

An increase of 8 per cent on households and 12 per cent on businesses in the waste removal tariff is proposed from 1 July 2016. The tariff for the various categories is now uniform. Any increase higher than 8 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

A detail analysis of the cost of waste removal is in the process of being done in the 2015/16 financial year, but be finalised in the 2016/2017 financial year.

In order to economise the service the same tariff is charged where there is a service once a week.

All residents in all areas receive a service once a week. Therefore the tariff must be uniform.

The following table compares current and proposed tariffs payable from 1 July 2016:

**Table10 Proposed Waste removal Tariffs**

	<i>R</i> <i>2015/2016</i>	<i>R</i> <i>2016/2017</i>
Dwellings/Single flats	102.74	110.96
Joint flats (one service point)	102.74	110.96
Private Hostels	102.74	110.96
Businesses per point	193.23	216.42
Schools per point	193.23	216.42
Churches	102.74	110.96
Dumping ground: All tariffs for dumping is per cubic meter or part of cubic meter		
Industries and Contractors and	125.00	138.00
Garden Services	125.00	138.00
Approved indigents	FREE	FREE

Guest houses operate as businesses and are levied the same as businesses tariffs.

An amount of R18.6 million is allocated from equitable share for the refuse service to approved indigents (14 000). The tariff increase represents an amount of R3.6 million additional revenue for the year. The service still reflects a deficit of R7.8 m after the 8% tariff increase.

#### **1.4.6 Overall impact of tariff increases on households**

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 10.2 and 11.0 per cent, with the increase for indigent households to 7.3 per cent.

Table SA14 Household bills

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17 % incr.	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Rand/cent											
<b><u>Monthly Account for Household - 'Middle Income Range'</u></b>	###										
Rates and services charges:											
Property rates		378.58	414.84	439.73	466.11	466.11	466.11	8.0%	503.38	534.58	533.52
Electricity: Basic levy								100.0%	20.00	22.00	24.20
Electricity: Consumption		1,033.19	1,084.45	1,183.51	1,349.19	1,349.19	1,349.19	7.6%	1,452.82	1,598.10	1,757.91
Water: Basic levy								100.0%	20.00	22.00	24.20
Water: Consumption		300.72	324.78	402.00	442.20	442.20	442.20	11.9%	494.80	525.48	556.48
Sanitation		68.80	72.93	78.76	85.06	85.06	85.06	8.0%	91.86	97.55	103.30
Refuse removal		82.32	88.08	95.13	102.74	102.74	102.74	8.0%	110.96	117.83	124.78
Other											
sub-total		1,863.61	1,985.08	2,199.13	2,445.30	2,445.30	2,445.30	10.2%	2,693.82	2,917.54	3,124.39
VAT on Services		207.90	219.84	243.07	277.09	277.09	277.09	10.7%	306.66	333.61	362.72
Total large household bill:		2,071.51	2,204.92	2,442.20	2,722.39	2,722.39	2,722.39	10.2%	3,000.48	3,251.15	3,487.11
% increase/-decrease			6.4%	10.8%	11.5%	-	-		10.2%	8.4%	7.3%
<b><u>Monthly Account for Household - 'Affordable Range'</u></b>	###										
Rates and services charges:											
Property rates		270.42	300.21	318.22	337.31	337.31	337.31	8.0%	364.29	386.87	409.69
Electricity: Basic levy								100.0%	20.00	22.00	24.20
Electricity: Consumption		409.22	434.96	486.04	566.60	558.30	558.30	7.6%	600.97	671.84	739.02
Water: Basic levy								100.0%	20.00	22.00	24.20
Water: Consumption		234.65	254.79	307.00	337.70	337.70	337.70	11.9%	377.85	401.28	424.96
Sanitation		68.80	72.93	78.76	85.06	85.06	85.06	8.0%	91.86	97.55	103.30
Refuse removal		82.32	88.08	95.13	102.74	102.74	102.74	8.0%	110.96	117.83	124.78
Other											
sub-total		1,065.41	1,150.97	1,285.15	1,429.41	1,421.11	1,421.11	10.9%	1,585.93	1,719.37	1,850.15
VAT on Services		111.30	119.11	132.72	152.89	151.73	151.73	12.7%	171.03	186.55	201.66

Total small household bill: % increase/-decrease		1,176.71	1,270.08 7.9%	1,417.87 11.6% 0.47	1,582.30 11.6% -0.00	1,572.84 (0.6%) -1.05	1,572.84 - -1.00	11.0%	1,756.96 11.7%	1,905.92 8.5%	2,051.81 7.7%
<u>Monthly Account for Household - 'Indigent' Household receiving free basic services</u>	###										
Rates and services charges:											
Property rates		-									
Electricity: Basic levy											
Electricity: Consumption		246.00	263.22	282.67	317.13	306.12	317.13	7.6%	329.52	362.47	398.72
Water: Basic levy											
Water: Consumption		172.90	187.74	212.00	233.20	233.20	233.20	11.9%	260.90	277.08	293.43
Sanitation											
Refuse removal											
Other											
sub-total		418.90	450.96	494.67	550.33	539.32	550.33	7.3%	590.42	639.55	692.15
VAT on Services		58.65	63.14	69.26	77.05	75.50	75.50	9.5%	82.66	59.54	96.90
Total small household bill:		477.55	514.10	563.93	627.38	614.82	625.83	7.3%	673.08	699.09	789.05
% increase/-decrease			7.7%	9.7%	11.3%	(2.0%)	1.8%		7.5%	3.9%	12.9%

References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)
4. Note this is for a SINGLE household.



### 1.4.7 Sundry Tariffs

**Table12 Proposed Sundry Tariffs**

That the following miscellaneous tariffs (**VAT exclusive**) be implemented from 1 July 2016.

Financial Services	2015/2016	2016/2017
<b>New Consumers who move into municipal area</b>		
Connection fee per meter:		
- Water	R170.00	R180.00
- Electricity	R170.00	R180.00
Delivery of warning notices	R190.00	R201.00
<b>Non-payment fees for defaulters</b>		
- Normal reconnection fee	R350.00	R371.00
- After hours reconnection fee (additional)	R260.00	R276.00
- Reduce water supply	R350.00	R371.00
- Cut electric cable	R420.00	R445.00
- Remove electric cable	R700.00	R742.00
- Replace electric cable	R700.00	R742.00
- Final Notice Fee	R100.00	R106.00
- Dishonoured Cheques R/D (admin / bank fee)	R310.00	R329.00
- Dishonoured Credit cards(payment return by bank) ex. easy pay	R310.00	R329.00
-		
<b>Illegal Connection(Bypass/tampering of meters</b>		
Household (Water or Electricity)	R22 000.00	R23 320.00
Business	R28 000/meter	R29 680.00/meter

Illegal connection after disconnection (switch on of meter)	R4 500.00	R4770.00
Loss of units calculated for up to 1 year average plus tampering penalty	Number of units x tariff applicable	Number of units x tariff applicable
<b>Clearances and Valuation</b>		
<b><i>Clearance certificates</i></b>		
Normal collection	R210.00	R223.00
Registered mail	R240.00	R255.00
Valuation Roll per Town (Residential Area) or part thereof	R550.00	R583.00
Valuation electronic format	R250.00	R265.00
Valuation Objection Fee (only for review and appeal)	R450.00	R477.00
Valuation Certificate	R160.00	R170.00
Address list per 500 pages or part thereof	R550.00	R583.00
Search Fees	R70.00	R74.00
<b>Other Fees</b>		
Testing of electricity meters	R500.00	R530.00
Replacement of padlock	R350.00	R371.00
Duplicate Accounts	R12.00	R13.00
Duplicate tenant's Accounts sent to owners	R25.00	R27.00
Duplicate IRP 5	R25.00	R27.00
Fee for block/unblock of Prepaid electricity meters	R120.00	R127.00
Replacement of prepaid card	R60.00	R64.00

Selling of wood (= LDV load)	R150.00	R159.00
Cutting of trees (per tree)	R1 000.00	R1 060.00
<b>Threshold for indigent</b>	2 x state old age pension plus R1000	2 x state old age pension plus R1000
<b>Parking for Officials</b>		
Single Parking in basement of Civic Centre	R60.00	R65.00
Share Parking in basement of Civic Centre	R45.00	R50.00
Shelter Parking in outside parking area	R40.00	R45.00
<b><u>Deposits</u></b>		
<b>Flats/Town houses</b>		
Owners (without pre-paid meters)	R3 500.00	R3700.00
Owners (with pre-paid meter)	R1 750.00	R1850.00
Where body corporate pay other services	0	0
<b>Houses</b>		
with pre-paid meters	R2 500.00	R2 650.00
without pre-paid meters	R5 000.00	R5 300.00
Minimum Deposit charged when applying for clearance figures	R5 000.00	R5 300.00
<b>Businesses</b>		
With pre-paid meters	R 3 500.00 min	R3 700.00

Without pre-paid meters based on twice monthly consumption based on the type of business <i>Light Industries</i> based on twice monthly consumption based on the type of business <i>Heavy Industries</i> based on twice monthly consumption based on the type of business Government	R6 000.00 min  Twice monthly consumption  Twice monthly consumption  Same as businesses	R6 400.00  Twice monthly consumption  Twice monthly consumption  Same as businesses
--	---	---

**Water, Electricity and Sewer connection tariffs increases**

<b>Connections to be done</b>	<b>2015/2016</b>	<b>2016/2017</b>
<b>SEWER</b>		
100mm dia -3m length	R4 279.83	R 4 598.24
All other longer than 100mm dia or longer than 3m	To be calculated	To be calculated
<b>Water</b>		
15mm - 3m max	R1 958.78	R 2 064.04
20mm - 3m max	R2 301.76	R 2 426.32
80/20 COMBO meter	R19 552.65	R 20 608.78
50/20 COMBO meter	R5 187.72	R 5 467.55
40 mm	R5 110.53	R 5 385.97
longer than 3m and larger meters	Cost plus 10%	Cost plus 10%
Closing of network valves for water connections done by contractor at request of owner or when Council cannot execute work due to strikes or unavailability of meters		R 300
<b>Water and Sewer - general</b>		
Water and Sewer road crossings	R10 271.93	R 10 827.20
Relocating Water meters(labour only)	R1 085.09	R 1 143.86
Stolen Water meter	Cost of Meter plus 20%	Cost of Meter plus 20%
<b>Testing of water meters</b>		
20mm to 50 mm size meters	R530	R583

All other to be calculated		
<b>Electricity</b>		
New single phase connection	R5 393.46	R5 824
Upgrading from 60 – 80 ampere	R5 022.23	R5 423
New three phase connection up to design load	R4 725.00	R5 103
New three phase connection larger than design load	Estimated cost plus network strengthening cost	Estimated cost plus network strengthening cost
Single phase prepaid meter	R1 025.93	R1 107
Three phase prepaid meter	R2 192.07	R2 367
Moving of kWh meter from house to stand boundary	R3 139.97	R3 390
Moving of connection	R1 849.30	R1 996
New ready board and keypad	R1 990.49	R2 149
Replacement of cable	R1612.60	R1 740
Repair of cable (damaged by owner)	R1 082.36	R1 168
Temporary connection if service is available:		
Single Phase	R1 076.90	R1 162
Three phase (town houses)	R2 495.90	R2 694
Testing of kWh meter	R512.60	R552
Testing of prepaid meter	R339.90	R366
Damaged keypad prepaid meter	R716.10	R773
Damaged single phase prepaid meter	R1 126.33	R1 216
Damaged three phase prepaid meter	R2 751.18	R2 971

Damage relay	R1 093.68	R1 180
Cost of prepaid meter and relay for town houses	R2 106.71	R2 274
Cost for second electrical installation test(1 <sup>st</sup> free)	R339.90	R366
Replacement of broken or stolen ripple relay	Cost of relay and labour	Cost of relay and labour
Ripple relay	R761.25	R821
Network strengthening	R894.44	R965

**Capital Contributions (once off payment)**

<b>Water</b>	<b>2015/2016</b>	<b>2016/2017</b>
Per kilolitre day usage-supply	R5 620.00	R 5 920.00
Residential per added building or unit		
Low density	R11 250.00	R 11 860.00
Middle density	R8 420.00	R 8 880.00
High density	R3 370.00	R 3 550.00
Guest houses and hotels: per room(existing developments consider in calculation)(normal household norm 1kl/day)	0.03 kl per room per day x kilolitre rate	0.03 kl per room per day x kilolitre rate
<b>Sewer</b>		
Per kilolitre day usage- effluent	R6 320.00	R 6 660.00
Residential per added building or unit		
Low density	R7 580.00	R 7 990.00
Middle density	R6 320.00	R 6 660.00
High density	R3 160.00	R 3 330.00

Guest houses and hotels: treatment of sewer effluent. (normal household runoff norm 0.8kl/day)	R8 040.00/kl (daily kl demand)	R8 040.00/kl (daily kl demand)

**Printing price list - Technical Services**

	2015/2016	2016/2017
<b>PAPER</b>		
A0	R44.74	R44.74
A1	R22.81	R22.81
A2	R14.92	R14.92
A3	R4.39	R4.39
A4	R2.64	R2.64
<b><u>Durester</u></b>		
A0	R151.76	R151.76
A1	R79.83	R79.83
A2	R41.23	R41.23
A3	R21.06	R21.06
A4	R13.16	R13.16
<b><u>Film</u></b>		
A0	R100.44	R100.44
A1	R67.99	R67.99
A2	R35.09	R35.09
A3	R18.43	R18.43
A4	9.22	9.22
A4 Fax send/received(Private)	10.53	10.53



**Social Services**

a	D P de Villiers Stadium	2015/2016	2016/2017
	<b>Rental of halls</b>		
	<b>Stadium Hall</b>		
	Resident : meetings	R250.00 per hour	R260.00 per hour
	Non-Resident : meetings	R490.00 per hour	R510.00 per hour
	Functions	R660.00	R690.00
	Churches and schools	half price	half price
	Deposit	R600	R630
	<b>Club complex Hall</b>		
	Resident : meetings	R 85.00/ hour	R 90.00/ hour
	Non-Resident : meetings	R170.00/hour	R180.00/hour
	Functions	R360.00	R380.00
	Churches and schools	50% of R360	50% of R380.00
	Deposit	R600	R630
	<b>Athletics</b>		
	<b>Schools sport meeting</b>		
	Morning session 07:00 - 13:00	R1 100.00	R1 160.00
	Afternoon session 13:00 - 19:00	R1 100.00	R1 160.00
	Lights to switch on first 2 hours	R490.00	R510.00
	Then per half hour	R135.00	R140.00
	Deposit	R2 700	R2 900

	<b>Non Residents (Invitational/Zones)</b>		
	Morning session 07:00 - 13:00	R3 060.00	R3 200.00
	Afternoon session 13:00 - 19:00	R3 060.00	R3 200.00
	Lights to switch on first 2 hours	R490.00	R510.00
	Then per half hour	R 135.00	R 140.00
	Deposit	R2 700	R2 900
	<b>Provincial Meetings</b>		
	Morning session 07:00 - 13:00	R4 080.00	R4 200.00
	Afternoon session 13:00 - 19:00	R4 080.00	R4 200.00
	Lights to switch on first 2 hours	R490.00	R510.00
	Then per half hour	R135.00	R140.00
	Deposit	R2 550	R2 700
	<b>Schools in Gauteng</b>		
	Morning session 07:00 - 13:00	R4 080.00	R4 200.00
	Afternoon session 13:00 - 19:00	R4 080.00	R4 200.00
	Lights to switch on first 2 hours	R480.00	R510.00
	Then per half hour	R135.00	R140.00
	Deposit	R2 550	R2 700

<b>Provincial Meetings</b>			
Morning session 07:00 - 13:00	R2 600.00	R2 700.00	
Afternoon session 13:00 - 19:00	R2 600.00	R2 700.00	
Lights to switch on first 2 hours	R540.00	R580.00	
Then per half hour	R145.00	R150.00	
<b>National Meetings</b>			
Morning session 07:00 - 13:00	R5 100.00	R5 300.00	
Afternoon session 13:00 - 19:00	R5 100.00	R5 300.00	
Lights to switch on first 2 hours	R390.00	R400.00	
Then per half hour	R135.00	R140.00	
Deposit	R2 700.00	R2 900.00	
<b>Rental of Electronic Timing Equipment</b>			
Electronic Timing Equipment per session	R1 100.00	R1 160.00	
<b>Training sessions</b>			
<u>Pre-determined practice periods</u>			
Training at the stadium will only be allowed after payment of R275,00 per annum as well as purchase of proxy card at R40,00 per athlete training. Cards will only be sold to contributing schools/clubs/instances. Purchase card at R40.00 for student and other person.			

<b>Pre –determined practice periods</b>		
Trainer (5 and less athletes)	R300.00 p/a	R310.00 p/a
Trainer (6 to 20 athletes)	R600.00 p/a	R630.00 p/a
Trainer (21 and more athletes)	R1 000.00 p/a	R1 050.00 p/a
<b>School Rugby, School league all rugby fields as available.</b>		
Resident per session/season	R330.00	R350.00
Non-resident per session/season	R490.00	R510.00
<b>Provincial Games</b>	R1 630.00	R1 710.00
	per day	per day
Lights to switch on first 2 hours	R490.00	R510.00
Then per half hour	R135.00	R140.00
Deposit	R2 050.00	R2 100.00
<b>National and International Games</b>	R3 670,00	R3 800,00
<b>Soccer meetings (outside stadium)</b>		
Resident per session/season	R370.00	R380.00
Non-resident per session/season	R540.00	R560.00
<b>Soccer meetings (inside stadium)</b>		
Morning session 07:00 - 13:00	R890.00	R930.00
Afternoon session 13:00 - 19:00	R890.00	R930.00
Lights to switch on first 2 hours	R490.00	R510.00

	Then per half hour	R135.00	R140.00
	<b>Cross Country</b>		
	A Field	R650.00	R680.00
	Outside Field	R330.00	R350.00
	Stadium Hall	R900.00	R940.00
	Rental of stadium for Church service	R2 000.00 p/d	R2 100.00 p/d
	Deposit	R2 500.00	R2 600.00
	Rental of stadium for non-sports related events	R10 000.00p/d	R10 500.00p/d
	Deposit	R5 000.00	R5 250.00
	<b>Dog show</b>		
	Resident per session	R360.00	R380.00
	Non-resident per session	R530.00	R550.00
	Deposit	R6 000.00	R6 000.00
b	<b>Sasolburg show ground</b>		
	Cricket pitch (High Performance)		
c	<b>Sports facilities</b>		
	<b>Penny Heyns :</b>		
	Adults: Season tickets	R185.00	R195.00

	: Day tickets	R18.00	R19.00
	Children : Season tickets	R86.00	R110.00
	: Day tickets	R10.00	R15.00
	<b>School Galas</b>		
	Morning session 07:00 - 13:00	R440.00	R460.00
	Afternoon session 13:00 - 19:00	R440.00	R460.00
	Lights to switch on first 2 hours	R440.00	R460.00
	Then per half hour	R115.00	R120.00
	<b>Clubs/ Social clubs</b>		
	Occasion	R1 220.00 without touch pad	R1 280.00 without touch pad
	<b>Training sessions</b>		
	Pre-determined practice periods	Training at the swimming pool will only be allowed after payment of R410.00 per annum as well as purchase of seasonal tickets per swimmers training	Training at the swimming pool will only be allowed after payment of R430.00 per annum as well as purchase of seasonal tickets per swimmers training
	Clubs		
	<b><u>Zamdela Swimming Pool</u></b>		
	: Adults : Season tickets	R100.00	R110.00

	: Day tickets	R9.00	R10.00
	: Children : Season tickets	R60.00	R63.00
	: Day tickets	R7.00	R10.00
	<b>School Galas</b>		
	Morning session 07:00 - 13:00	R430.00	R450.00
	Afternoon session 13:00 - 19:00	R430.00	R450.00
	Lights to switch on first 2 hours	R330.00	R350.00
	Then per half hour	R120.00	R130.00
	<b>Clubs/ Social clubs</b>		
	Occasion	R1 200.00 without touch pad	R1 260.00 without touch pad
	<b>Training sessions</b>		
	Pre-determined practice periods	Training at the swimming pool will only be allowed after payment of R400.00per annum as well as purchase of seasonal tickets per swimmers training	Training at the swimming pool will only be allowed after payment of R420.00per annum as well as purchase of seasonal tickets per swimmers training
	<b>Cemeteries</b>		
	Zamdela : Adult : Resident	R430.00	R450.00

	:Non Resident	R1 730.00	R1 800.00
	Children : Resident	R330.00	R350.00
	: Non resident	R1 330.00	R1 400.00
	Deneysville/		
	Refengkgotso / Metsimaholo :		
	: Adults : Resident	R380.00	R400.00
	: Non Resident	R1 540.00	R1 600.00
	: Children :Resident	R290.00	R300.00
	:Non Resident	R1 170.00	R1 230.00
	Sasolburg:		
	: Adults : Resident	R1 100.00	R1 160.00
	: Non Resident	R4 350.00	R4 570.00
	: Children :Resident	R760.00	R800.00
	:Non Resident	R2 650.00	R2 780.00
	Oranjeville:		
	: Adults : Resident	R380.00	R400.00
	: Non Resident	R1 540.00	R1 600.00
	: Children :Resident	R290.00	R300.00
	:Non Resident	R1 170.00	R1 230.00
	<b><u>Indigents</u></b>		
	Approved as per Metsimaholo Local	Free	Free



e	Municipality policy		
	<u>Urns in Walls of Remembrance</u>		
	Residents	R420.00	R440.00
	Non Residents	R1 920.00	R2 020.00
	Placing of urn in existing grave:		
	Residents	R180.00	R190.00
	Non Residents	R190.00	R200.00
	<u>Stack Burials:</u>		
	Two coffins in one grave		
	Residents	One and half price(1.5)	One and half price (1.5)
			One and half price (1.5)
	<b>Halls</b>		
	<b>Zamdela/Refengkgotso/</b>		
	<b>Metsimaholo</b>		
	<b>Church Service and meetings</b>		
	Morning session 07:00 - 13:00	R480.00	R500.00
	Afternoon session 13:00 - 19:00	R480.00	R500.00
	Extra hour	R170.00	R180.00
	Kitchen use	R170.00	R180.00

<b>Music/Jazz and others</b>		
Morning session 07:00 - 13:00	R890.00	R930.00
Afternoon session 13:00 - 19:00	R890.00	R930.00
Extra hour	R250.00	R260.00
Kitchen use	R250.00	R260.00
<b>Funeral service and memorial service</b>		
Morning session 07:00 - 13:00	R410.00	R430.00
Afternoon session 13:00 - 19:00	R410.00	R430.00
Extra hour	R205.00	R210.00
Kitchen use	R205.00	R210.00
<b>Political meetings</b>		
Morning session 07:00 - 13:00	R250.00	R260.00
Afternoon session 13:00 - 19:00	R250.00	R260.00
Extra hour	R75.00	R78.00
Kitchen use	R75.00	R78.00
Season 2 meetings per month	R490.00	R510.00
<b>Government structures</b>		
Morning session 07:00 - 13:00	R270.00	R280.00
Afternoon session 13:00 - 19:00	R270.00	R280.00
Extra hour	R70.00	R73.00
Kitchen use	R70.00	R73.00

<b>Welfare</b>	R490.00	R510.00
<b>Deposit</b>		
Music/Jazz and others	R1 830.00	R1 920.00
All other	R370.00	R390.00

(f)	<b>Abrahamsrust recreation resort</b>	<b>2015/2016</b>	<b>2016/2017</b>
	Season tickets (only residents )	R360.00 per annum/motor vehicle/ motor cycle powerboat  R180.00/ second motor vehicle/ motorcycle	R400.00 per annum/motor vehicle/ motor cycle powerboat  R190.00/ second motor vehicle/ motorcycle
	Pensioners (age 60 years)	R80.00 for 1 ticket per family	R90.00 for 1 ticket per family
	Metsimaholo workers and Councillors with proof	R 120.00 for 1 ticket per family	R 130.00 for 1 ticket per family
	Non-residents registered power boat/ caravan owners:	R590.00/ annum per vehicle/ powerboat	R620.00/ annum per vehicle/ powerboat
	<b>Entrance fees (Day visitors)</b>		
	Season ticket holders	Free (vehicle & 6 passengers, 1 visit per day)	Free (vehicle & 6 passengers, 1 visit per day)
	Entrance fee per person	R35 per person per day	R50 per person per day
	Entrance fee per car	R45 per car plus driver per day	R50 per car per day
	Entrance fee per boat	R155 per boat per day	R160 per boat per day
	Entrance fee 2-6 years(Families only)	Free- child 2-6 years per day  R10 per child 7-14 years per day	Free per child 2-6 years per day  R15 per child 7-14 years per day

	Groups(2-6years)		R15 per child
	Entrance fee for group bookings of more than 50 people	Discount of tariffs approved by Director Social services(Prior arrangements)	Discount of tariffs approved by Director Social Services using his/her discretion (Prior arrangements)
	Local schools and churches	R20.00 per person	R30.00 per person
	<b>Caravan and tent sites(Power)</b>		
	Season ticket holders/ rallies (10-29 caravans)	R130.00 per day with power(4 persons)	R140.00 per day with power(4 persons)
	Pensioners/ Rallies (30 and more caravans )	R95.00 per day(4 persons)	R100.00 per day(4 persons)
	Non-season ticket holders	R150.00 per day(4 persons)	R180.00 per day(4 persons)
	<b>Caravan and tent sites <u>without</u> power sockets/ not exceed 4 people</b>	R120.00 per day without power	R130.00 per day without power
	Season ticket holders/ rallies (10-29 caravans)	R120.00/ caravan/ night	R130.00/ caravan/ night
	Pensioners/ Rallies (30 and more caravans )	R80.00/ caravan/ night	R90.00/ caravan/ night
	Non-season ticket holders	R160.00/ caravan/ night	R170.00/ caravan/ night
	<b>Chalets</b>		
	Small type 2-bed	R400.00	R450.00
	Large type 4-bed	R550.00	R600.00
	Luxury chalets Chalet A	R700.00	R750.00
	Chalet B (With lapa)	R750.00	R800.00
	Monthly Rental Chalets four bed	R 4 500.00 p.m.	R 4 550.00 p.m.

	Park home 6 bed	R550.00	R600.00
	Monthly Rental Park home 6 bed	R3 500.00 p.m.	R3 550.00 p.m.
	Refundable key deposit	R300.00	R300.00
	<b>Lapa</b>		
	With shelter per function	R550.00 plus entrance fee	R600.00 plus entrance fee
	Without shelter per function	R360.00 plus entrance fee	R400.00 plus entrance fee
	Hall	R550.00	R600.00
	Rental of resort for event	R50 000 per event	R80 000 per event
	Deposit for event	R20 000 per event refundable	R40 000 per event refundable
	<b>DAY VISIT ORANJEVILLE AND DENEYSVILLE</b>		
	Season tickets (only residents)	R100.00 per annum/motor vehicle/ motor cycle powerboat  R80.00/ second motor vehicle/ motorcycle	R120.00 per annum/motor vehicle/ motor cycle powerboat  R100.00/ second motor vehicle/ motorcycle
	Pensioners (age 60 years)	R40.00 for 1 ticket per family	R50.00 for 1 ticket per family
	Metsimaholo workers and Councillors with proof	R60.00 for 1 ticket per family	R70.00 for 1 ticket per family
	Non-residents registered power boat/ caravan owners:	R290.00/ annum per motor vehicle/motorcycle/ powerboat  R240.00/second vehicle/motorcycle/	R300.00/ annum per motor vehicle/motorcycle/ powerboat  R250.00/second vehicle/motorcycle/

		Powerboat	Powerboat
	Entrance fees (Day visit) Season ticket holders	Free (vehicle & 6 passengers, 1 visit per day)	Free (vehicle & 6 passengers, 1 visit per day)
	<b>Entrance fees (Day visitors)</b>		
	Entrance fee per person	R10 per person per day	R20 per person per day
	Entrance fee per car	R10 per car per day	R20 per car per day
	Entrance fee per boat	R25 per boat per day	R30 per boat per day
	Entrance fee 2-6 years kids (per family)	Free	Free
	Entrance fee for group bookings of more than 50 people	Discount of tariffs approved by Relevant Director (Prior arrangements)	Discount of tariffs approved by Director Social Services using his/her discretion(Prior arrangements)
	Local schools and churches	R5.00 per person	R10.00 per person
	<b>Caravan and tent sites(Power)</b>		
	Season ticket holders/ rallies (10-29 caravans)	R20.00 per day with power(4 persons)	R30.00 per day with power(4 persons)
	Pensioners/ Rallies (30 and more caravans )	R20.00 per day(4 persons)	R30.00 per day(4 persons)
	Non-season ticket holders	R30.00 per day(4 persons)	R40.00 per day(4 persons)
	<b>Caravan and tent sites <u>without</u> power sockets/ not exceed 4 people</b>	R150.00 per day without power	R160.00 per day without power
	Season ticket holders/ rallies (10-29 caravans)	R10.00/ caravan/ night	R20.00/ caravan/ night
	Pensioners/ Rallies (30 and more caravans )	R10.00/ caravan/ night	R20.00/ caravan/ night

	Non-season ticket holders	R15.00/ caravan/ night	R20.00/ caravan/ night
	Rental of resort for event	R50 000 per event	R60 000 per event
	Deposit for event	R20 000 per event	R30 000 per event

(g)	Moses Kotane Stadium		
	<b>Rental of halls</b>		
	<b>Stadium Hall</b>		
	Resident: meetings	R330,00	R330,00
	Non-Resident: meetings	R650,00	R650,00
	Functions	R490,00	R490,00
	Churches and Schools	Half price	Half price
	Political Rally		R60 000.00
	<b>Athletics</b>		
	In-house school sport		
	Morning	R360.00	R360.00
	Afternoon	R360.00	R360.00
	Lights to switch on first 2 hours	R290.00	R290.00
	Then per half hour	R120.00	R120.00
	Practice session	R115.00/ school/ season	R110.00/ school/ season
	<b>Non Residents (Free State)</b>		
	Morning	R710.00	R710.00
	Afternoon	R710.00	R710.00
	Lights to switch on first 2 hours	R290.00	R290.00
	Then per half hour	R120.00	R120.00

	<b>Schools in Gauteng</b>		
	Morning	R810.00	R820.00
	Afternoon	R810.00	R820.00
	Lights to switch on first 2 hours	R290.00	R290.00
	Then per half hour	R120.00	R120.00
	<b>Provincial Meetings</b>		
	Morning session 07:00 - 13:00	R2 300.00	R2 270.00
	Afternoon session 13:00 - 19:00	R2 300.00	R2 270.00
	Lights to switch on first 2 hours	R290.00	R290.00
	Then per half hour	R120.00	R120.00
	<b>National Meetings</b>		
	Morning session 07:00 - 13:00	R3 590.00	R3 530.00
	Afternoon session 13:00 - 19:00	R3 590.00	R3 530.00
	Lights to switch on first 2 hours	R490.00	R490.00
	Then per half hour	R120.00	R120.00
	<b>Rental of Electronic Timing Equipment</b>		
	Electronic Timing Equipment per session	R1 020.00	R1 020.00



	Soccer		
	<b>Soccer meetings (inside stadium)</b>		
	Morning session 07:00 - 13:00	R290.00	R290.00
	Afternoon session 13:00 - 19:00	R290.00	R290.00
	Lights to switch on first 2 hours	R290.00	R290.00
	Then per half hour	R120.00	R120.00
	Rental of stadium for events	R10 200.00	R15 000.00
	Deposit	R5 100.00	R7 000.00
	Entrance income	15% of entrance fee minimum or R1 730.00	15% of entrance fee minimum or R1 700.00
	Refundable damage fee	R1 020.00	R1 000.00
	Schools	R270.00/ school/ season	R2 800.00/ school/ season
	Other soccer games	15% of entrance fee minimum or R1 600.00	15% of entrance fee minimum or R1 575.00
	Morning	R340.00	R340.00
	Afternoon	R340.00	R340.00
	Evening	R340.00	R340.00
	Lights to switch on first 2 hours	R270.00	R280.00
	Then per half hour	R115.00	R110.00
	Practice inside stadium	R170.00/per hour	R170.00/per hour
	Coaching development and soccer clinics	R95.00 per occasion	R100.00 per occasion

	Practice outside fields	R170.00/ season twice weekly	R170.00/ season twice weekly
	Schools	R135.00/ season twice weekly	R140.00/ season twice weekly
	Social games	R170.00 per occasion	R170.00 per occasion
	<b>Other facilities</b>		
	Netball/Basketball and Tennis		
	Morning session	R95.00	R100.00
	Afternoon session	R95.00	R100.00
	<b>Stadium Hall</b>		
	Sports clubs and cultural groups (by pre-arrangement)	R155.00	R170.00
	Residents: Meetings	R115.00	R120.00
	Non-residents: Meetings	R610.00	R620.00
	Functions	R460.00	R470.00
	Churches and schools	Half price	Half price
	<b>Non sporting events inside stadium</b>		
	Rental of stadium for events(pre-approve by MM)	R55 000.00	R70 000.00
	Deposit for the events	R25 000.00	R30 000.00

(h)	<b>Multipurpose Sports Centre Hall</b>		
	<b>Church Service and meetings</b>		
	Morning session 07:00 - 13:00	R480.00	R550.00
	Afternoon session 13:00 - 19:00	R480.00	R550.00

Extra hour	R70.00	R80.00
Kitchen use	R200.00	R220.00
<b>Music/Jazz and others</b>		
Morning session 07:00 - 13:00	R890.00	R950.00
Afternoon session 13:00 - 19:00	R890.00	R950.00
Extra hour	R70.00	R80.00
Kitchen use	R200.00	R220.00
<b>Funeral service and memorial service</b>		
Morning session 07:00 - 13:00	R410.00	R450.00
Afternoon session 13:00 - 19:00	R410.00	R450.00
Extra hour	R70.00	R80.00
Kitchen use	R200.00	R220.00
<b>Political meetings</b>		
Morning session 07:00 - 13:00	R250.00	R280.00
Afternoon session 13:00 - 19:00	R250.00	R280.00
Extra hour	R70.00	R80.00
Kitchen use	R200.00	R220.00
Season 2 meetings per month	R490.00	R520.00
Political Rally		R70 000.00
Deposit		R40 000.00

<b>Government structures</b>		
Morning session 07:00 - 13:00	R270.00	R280.00
Afternoon session 13:00 - 19:00	R270.00	R280.00
Extra hour	R70.00	R80.00
Kitchen use	R200.00	R210.00
<b>Welfare</b>	R270.00	R280.00
<b>Deposit</b>		
Music/Jazz and others	R1 830.00	R1 920.00
All other	R370.00	R370.00
<b>Sports Facility</b>		
<b>Soccer/ Rugby and Cricket</b>		
Morning session 07:00 - 13:00	R150.00	R160.00
Afternoon session 13:00 - 19:00	R150.00	R160.00
Extra hour	R70.00	R75.00
Kitchen	R200.00	R210.00
<b>Netball/ Basketball and Tennis</b>		
Morning session 07:00 - 13:00	R150.00	R160.00
Afternoon session 13:00 - 19:00	R150.00	R160.00
Extra hour	R70.00	R75.00
Kitchen	R200.00	R210.00
<b>Schools</b>		
Morning session 07:00 - 13:00	R100.00	R110.00
Afternoon session 13:00 - 19:00	R100.00	R110.00

	Extra hour	R50.00	R55.00
	Kitchen	R50.00	R55.00
	<b>Indoor Games</b>		
	Morning session 07:00 - 13:00	R200.00	R210.00
	Afternoon session 13:00 - 19:00	R200.00	R210.00
	Extra hour	R70.00	R75.00
	Kitchen use	R200.00	R210.00
	<b>Coaching development and practice</b>		
	Morning session 07:00 - 13:00	R100.00	R110.00
	Afternoon session 13:00 - 19:00	R100.00	R110.00
	Kitchen	R200.00	R210.00

(i)	Fire and Rescue	2015/2016	2016/2017
	<b>Extinguishing of fires (excluding grass-bush and rubbish fires)</b>		
(a)	<b>Call out fee</b>		
	Industrial fire (High risk)	R1 170.00	R1 234.00
	Industrial fire (Low risk)	R580.00	R612.00
	Residential	R320.00	R338.00
	Institutions	R320.00	R338.00
	Public assembly	R320.00	R338.00
	Commercial	R320.00	R338.00
	Storage	R320.00	R338.00
	Shack or Informal housing (Flat rate) all costs included	R63.00	R66.00

	Heavy motor vehicle fire	R320.00	R338.00
	Motor vehicle, Motor bike, trailer with content	R127.00	R134.00
	Lamp or Electrical Poles (Council property excluded)	R127.00	R134.00
	Transformers (Council property excluded)	R320.00	R338.00
(b)	<b>Personnel (tariff per hour)</b>		
	Per Senior Officer	R160.00	R169.00
	Per Officer	R138.00	R146.00
	Per Senior Fireman	R127.00	R134.00
	Per Fireman	R106.00	R112.00
	(Times to be calculated from the time that the personnel left the Station until the fire has been reported as extinguished).		
(c)	<b>Vehicles</b>		
	Per vehicle or per fire pump per hour or part thereof calculated from the time that the vehicle has left the Station until the fire has been reported extinguished.	R425.00	R448.00
(d)	<b>Material used</b>		
	Real cost of the fire extinguishing material used including VAT and as certified by the Chief Fire Officer plus 20%.		
II	<u>Grass, bush and rubbish fires</u>		
(a)	Rubbish Fires	R320.00	R338.00
	Bales of feed or Hay stack (up to 50 cubic meters)	R636.00	R670.00

	Bales of feed or Hay stack (more than 50 cubic meters)	R1 272.00	R1 340.00
(b)	<b>Personnel(tariff per hour)</b>		
	Per Senior Officer	R160.00	R169.00
	Per officer	R138.00	R146.00
	Per Senior Fireman	R127.00	R134.00
	Per Fireman (Times to be calculated from the time that the personnel left the Station until the fire has been reported as extinguished)	R106.00	R112.00
(c)	<b>Vehicles</b>		
	Per vehicle or per fire pump per hour or part thereof calculated from the time that the vehicle has left the Station until the fire has been reported extinguished.	R425.00	R448.00
(d)	<b>Material used</b>		
	Real cost of the fire extinguishing material used including VAT and as certified by the Chief Fire Officer plus 20%.		
III	<u>Special services (Dangerous goods etc).</u>		
(a)	<b>Call out Fee</b>	R1272.00	R1340.00
(b)	<b>Personnel(tariff per hour)</b>		
	Per Senior Officer	R210.00	R221.00
	Per officer	R265.00	R280.00

	Per Senior Fireman	R230.00	R243.00
	Per Fireman	R190.00	R200.00
(c)	<b>Vehicles</b>		
	Where the services of a Fire Pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed.	R850.00	R896.00
	Per kilometre (Travelled to and from the time of pump per hour)	R9.00	R10.00
	Per portable pump (Real working time of pump per hour)	R140.00	R148.00
	Per Fire Hose (per hour of part thereof)	R27.00	R29.00
	Per ladder used per call	R138.00	R146.00
	Real cost (VAT) inclusive for consumable material used plus 20% as certified by the Chief Fire Officer.		
IV	<u>Protection services (Standby Services)</u>		
	Where the presence of the Fire Department is compulsory with Fire pump and crew, the company responsible for the situation will be liable for the account.		
(a)	<b>Call out Fee</b>	R1 270.00	R1 339.00
(b)	<b>Personnel(tariff per hour)</b>		
	Per Senior Officer	R320.00	R338.00
	Per officer	R300.00	R316.00



	Per Senior Fireman	R265.00	R280.00
	Per Fireman	R210.00	R221.00
(c)	<b>Vehicles</b>		
	Where the services of a Fire Pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed.	R850.00	R896.00
	Per kilometre (Travelled to and from the incident per utility vehicle)	R9.00	R10.00
	Per portable pump (Real working time of pump per hour)	R138.00	R146.00
	Per Fire Hose (per hour of part thereof)	R27.00	R29.00
	Per ladder used per call	R138.00	R146.00
	Real cost (VAT) inclusive for consumable material used plus 20% as certified by the Chief Fire Officer.		
V	<u>Filling of swimming pools and water tanks</u>		
	Hydrants must be within 90m from swimming or tank basic levy	R265.00	R280.00
	Per Fire Hose per hour period or part thereof	R27.00	R29.00
	Per Officer	R138.00	R146.00
	Per Senior Fireman	R127.00	R134.00
	Per Fireman	R106.00	R112.00

	Per kilometre (calculated to and from the address per utility vehicle)	R9.00	R10.00
	If a fire truck is required per hour or part thereof	R425.00	R448.00
	The cost of the water as per ruling levy on residences on Sundays and Public holidays.	(Double the normal tariffs)	(Double the normal tariffs)

VI	<u>Other Services</u>		
(a)	<b>Attendance of Fireman in terms of section 14 of the standard by-laws relating to Fire Brigade Services:</b>		
	Per entertainment, recreation meeting or other event provided that in the case of any variety entertainment or stage show conducted on schools premises or in a public hall in aid of school funds, no charges shall be charged for the attendance of a Fireman.	R320.00	R338.00
	Per Officer( <b>tariff per hour</b> )	R300.00	R316.00
	Per Senior Fireman( <b>tariff per hour</b> )	R265.00	R280.00
	Per Fireman( <b>tariff per hour</b> )	R210.00	R221.00
(b)	<b>Pumping of water from property:</b>		
	Light pump with a capacity of up to 1125 l/min per hour or part thereof	R850.00	R896.00
	Medium pump with a capacity of up to 2250 l/min per hour or part thereof	R850.00	R945.00
	Heavy pump with a capacity of up to 4500 l/min per hour or part thereof	R850.00	R996.00

	Per Officer( <b>tariff per hour</b> )	R265.00	R280.00
	Per Senior Fireman( <b>tariff per hour</b> )	R245.00	R258.00
	Per Fireman( <b>tariff per hour</b> )	R138.00	R146.00
(c)	<b>Using Compressor per hour or part thereof</b>		
	Per Officer( <b>tariff per hour</b> )	R265.00	R280.00
	Per Senior Fireman( <b>tariff per hour</b> )	R220.00	R258.00
	Per Fireman( <b>tariff per hour</b> )	R210.00	R146.00
(d)	<b>Emergency Rescue unit per hour or part thereof</b>		
	Per Officer( <b>tariff per hour</b> )	R231.00	R244.00
	Per Senior Fireman( <b>tariff per hour</b> )	R245.00	R258.00
	Per Fireman( <b>tariff per hour</b> )	R210.00	R221.00
(e)	<b>Any other duty not mentioned under item VI per hour or part thereto</b>		
	Where the services of a Fire pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed).	R850.00	R896.00
	Per kilometre (Travelled to and from the incident per utility vehicle)	R9.00	R10.00

	Per Officer( <b>tariff per hour</b> )	R265.00	R280.00
	Per Senior Fireman( <b>tariff per hour</b> )	R240.00	R253.00
	Per Fireman( <b>tariff per hour</b> )	R210.00	R222.00
(f)	<b>Firebreaks per hour or part thereof</b>		
	Where the services of a Fire pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed).	R580.00	R612.00
	Per Officer( <b>tariff per hour</b> )	R425.00	R448.00
	Per Senior Fireman( <b>tariff per hour</b> )	R265.00	R280.00
	Per Fireman( <b>tariff per hour</b> )	R240.00	R221.00
(g)	<b>Special Service</b>		
	Refilling of cylinders(SCBA)	R38.00 per cylinder	R40.00 per cylinder
	Issuing of Dangerous Goods Certificate	R300.00 per unit (yearly)	R320.00 per unit (yearly)
	Issuing of Fire Certificate in business	R300.00 per business (yearly)	R320.00 per business (yearly)
	Basic Fire Fighter Training	R320.00 per person	R338.00 per person
	Renting of Lecture Room	R370.00 per Morning session	R390.00 per Morning session
	Extra hour	R110.00	R116.00

	Kitchen use	R110.00	R116.00
	<b>Traffic Services</b>	<b>2015/2016</b>	<b>2016/2017</b>
	<u>Abnormal loads escorts and excavations</u>		
	Per Officer (Per hour or part thereof)	R127.00	R133.00
	Per Officer Overtime (Per hour or part thereof)	R265.00	R279.00
(a)	<b>Sport Meetings</b>		
	Per Officer (Per hour or part thereof)	R190.00	R200.00
	Per Officer Overtime (Per hour or part thereof)	R265.00	R279.00
(b)	<b>Impounded Vehicles</b>		
	Hitching of vehicles	R530.00	R558.00
	Towing of the vehicle	R370.00	R389.00
	Tracing of the owner	R850.00	R895.00
	Storage Fees(per day including first and last day)	R85.00	R89.00
(c)	Erection of posters DEPOSIT	R250.00	R263.00
	COST PER POSTER	R10.00	R15.00
(d)	Street Trading OUTSKIRTS	R100.00 pm	R105.00 pm
	CBD	R100.00 pm	R100.00 pm

DIRECTORATE	R 2015/16	R 2016/17
<b>Economic Development</b>		<b>RECOMMEN- DED +5%</b>
<b>Housing and Property Management Services</b> ( <i>&amp; Economic Development</i> )		
Leases - General: - Rental arrangements as agreed <u>per contract</u>	Contractual	<b>Contractual Arrangements Status quo</b>
Leases: Business Buildings – Approximately 70 m <sup>2</sup>	R0.00	<b>R600.00 p.m.</b>
Leases: Two Farm Houses ( <i>Mooirdraai</i> ) Incentive R1`000 pm since 2008 – Approximately 220 m <sup>2</sup> Each ( <i>Market Related Rent = R3`300.00 p.m.</i> )	R0.00	<b>Incentive R1`500 p.m.</b>
Leases: Cell phone Communication Towers (Vodacom, etc) <i>Market Related Rent for a similar crèche = R1`300 pm</i>	R1`000 pm	<b>R2`000 p.m.</b>
Leases: Crèche ( <i>Such as Erf 11711 Zamdela Ext 9</i> ) <i>Market Related Rent for a similar crèche = R5`000 pm</i>	R1`000 pm	<b>Incentive R1`100 p.m.</b>
Leases: Temporary allocation of land not exceeding 21 days ( <i>such Circuses / Churches for spiritual revivals / church outreaches</i> )	R45.00 / day	<b>R50.00 / day</b>
Leases: Initiation Schools not exceeding 50days	R1000.00 (fixed)Water provision to be agreed with Civil Engineering	<b>R1050.00 (fixed)Water provision to be agreed with Civil Engineering</b>
Temporary leases for parking purposes on open portions of land	R20.00/per day per parking bay of 40 m <sup>2</sup>	<b>R25.00/per day per parking bay of 40 m<sup>2</sup></b>
Leases: Cattle owners Leases - grazing	R290.00 p.m. per cattle owner	<b>R300.00 p.m. per cattle owner</b>

<p><b><u>Deposit Payments at Hostels / Thembaletu</u></b></p> <p>The Council re-confirm that since September 1994 deposit payments was not a requirement and /or will not be a requirement for beneficiaries / tenants moving onto residential stands and / or into municipal dwelling / rental units , either:</p> <p>1 A rental deposit and / or 2 Other deposit payments such as consumer services deposit payments</p>	Not a requirement	<p>Not a requirement</p> <p><i>Status quo</i></p>
<p><b>Leases: Assisted Sub-Economic Rental Stock</b></p>		
<p>Six (6) semi-detached - / row houses in Sasolburg Extension 1 one and (1) house in Sasolburg Extension 19 reserved / earmarked as rental stock for the elderly, disabled and poor households restricted to households in <u>the deep down-market range earning between R800.00 per month to R3,500.00 per month</u></p> <p><i>Market related rent for a similar house = R3100 pm</i></p> <p><i>Note: Pre-paid meters to be installed in ALL rental stock units to recover electrical services costs</i></p> <p>Erf 1499 Sasolburg Ext 1 (83 m<sup>2</sup>) Grobler 12 Sasolburg X 1 Erf 1500 Sasolburg Ext 1 (83 m<sup>2</sup>) Grobler 14 Sasolburg X 1 Erf 1501 Sasolburg Ext 1 (83 m<sup>2</sup>) Grobler 16 Sasolburg X 1 Erf 1502 Sasolburg Ext 1 (83 m<sup>2</sup>) Philip Botha 2 Sasolburg X 1 Erf 1503 Sasolburg Ext 1 (98 m<sup>2</sup>) Philip Botha 4 Sasolburg X 1 Erf 1504 Sasolburg Ext 1 (98m<sup>2</sup>) Philip Botha 6 Sasolburg X 1 Erf 12884 Sasolburg Ext 1 (128 m<sup>2</sup>) Candlewood 6 Sasolburg X 19</p>	<p>Calculated at 20% of monthly household income implying that the average monthly rental should not exceed R520.00 per month (<i>excluding consumer services</i>) for qualifying beneficiaries</p>	<p><b>Calculated at 20% of monthly household income implying that the average monthly rental should not exceed R550.00 per month (<i>excluding consumer services</i>) for qualifying beneficiaries</b></p>

	R 2015/16	R 2016/17
<b><u>Leases: Thembaletu Hostel (141 x 101,02 m<sup>2</sup> units)</u></b>		
<i>Pre-paid meters to be installed in all rental stock units to recover electrical services cost</i>		
<b>Block A - 24 x units (shower &amp; bath)</b> <i>Market Related Rent for three bedroom units = R2`500 pm</i>	R1`200.00 p.m.	<b>Incentive</b> <b>R1`250.00 p.m.</b>
<b>Block B - 18 x units (shower &amp; bath)</b> <i>Market Related Rent for three bedroom units = R2`500 pm</i>	R1`200.00 p.m.	<b>R1`250.00 p.m.</b>
<b>Block C - 24 x units (shower)</b> <i>Market Related Rent for two bedroom units = R2`000 pm</i>	R1 100.00 p.m.	<b>R1 150.00 p.m.</b>
<b>Block D - 18 x units (shower)</b> <i>Market Related Rent for two bedroom units = R2`000 pm</i>	R1 100.00 p.m.	<b>R1 150.00 p.m.</b>
<b>Block E - 30 x units (shower)</b> <i>Market Related Rent for two bedroom units = R2`000 pm</i>	R1 100.00 p.m.	<b>R1 150.00 p.m.</b>
<b>Block F - 9 x units (shower)</b> <i>Market Related Rent for two bedroom units = R2`000 pm</i>	R1 100.00 p.m.	<b>R1 150.00 p.m.</b>
<b>Single Units - 18 x beds (6 x flats with 3 x bedrooms)</b> <i>Market Related Rent for Bachelor Flats = R1`200 pm</i>	R490.00 p.m.	<b>R515.00 p.m.</b>
<i>(Other)</i>		
<b>Tuck shop / Churches (62 m<sup>2</sup>)</b>	R90.00 p/day	<b>R95.00 p/day</b>
<b>Tuck shop / Milk depot (13 m<sup>2</sup>)</b>	R90.00 p.m.	<b>R95.00 p.m.</b>
<b>Tuck shop / F Shai (22 m<sup>2</sup>)</b>	R85.00 p.m.	<b>R90.00 p.m.</b>
<b>Tuck shop / M Kok (22 m<sup>2</sup>)</b>	R180.00 p.m.	<b>R190.00 p.m.</b>
<b>Tuck shop / L Tau (22 m<sup>2</sup>)</b>	R180.00 p.m.	<b>R190.00 p.m.</b>
<b>Tuck shop / Dry Cleaners (37 m<sup>2</sup>)</b>	R180.00 p.m.	<b>R190.00 p.m.</b>
<b>Tuck shop / Hair Saloon (41 m<sup>2</sup>)</b>	R180.00 p.m.	<b>R190.00 p.m.</b>
<b>Tuck shop / Upholsterer (46 m<sup>2</sup>)</b>	R180.00 p.m.	<b>R190.00 p.m.</b>
<b>Tuck shop / Dressmaking (80 m<sup>2</sup>)</b>	R180.00 p.m.	<b>R190.00 p.m.</b>
<b>Tuck shop / Crèche (197 m<sup>2</sup>)</b>	R80.00 p.m.	<b>R85.00 p.m.</b>
<b>Tuck shop / Video Shop (207 m<sup>2</sup>)</b>	R210.00 p.m.	<b>R220.00 p.m.</b>



<b>Former kitchen/Hall per activity</b>	R330.00 per activity	<b>R350.00 per activity</b>
<b>Recycling Business</b>	R1 100.00 p.m.	<b>R1 200.00 p.m.</b>
<b>Themba lethu Community Hall</b>	R280.00 p/day	<b>R295.00 p/day</b>
<b>Themba lethu Lapa</b>	R0.00	<b>R100.00 p/day</b>
<b>Themba lethu Community Job Establishment Office</b>	R0.00	<b>R100.00 p.m.</b>
<p align="center"><b>HOSTELS</b></p> <p><i>Market Related Rent for a similar Hostel Unit = R500.00 pm</i></p> <p><b>Hostel 1 = 317 units</b></p> <p><b>Hostel 2 = 330 units</b></p> <p><b>Hostel 3 = 389 units</b></p> <p><u>Hostel 4 = 112 units</u> (In process of re-development to CRU's - hereinafter)</p> <p><b>Phomolong = 14 units</b></p>		
<i>Hostel at Refenggotso (Erf 842 From date of subdivision)</i>	R0.00	<b>As per Hostel Tariff</b>
<ul style="list-style-type: none"> <li>- Fixed Hostel Rent / Tariff</li> <li>- Fixed Hostel Rent / Tariff for purposes of <u>a maximum of 4 single persons sharing</u> a rental unit, that each single should contribute individually and that the rental amount of R80.00 pm. plus water consumption calculated @ 30.00 p.m. be divided by the number of persons sharing / occupying the unit</li> </ul> <p><i>Note: Pre-paid meters to be installed in ALL rental stock units to recover electrical services costs</i></p>	<p>R110.00 pm</p> <p>While corrective measures are taken regarding maintenance and upgrading of services</p> <p>Then R150.00 pm</p> <p><i>Divided by the number of people sharing)</i></p>	<p><b>R115.00 pm</b></p> <p><b>While corrective measures are taken regarding maintenance and upgrading of services</b></p> <p><b>Then R160.00 pm</b></p> <p><b><i>Divided by the number of people sharing)</i></b></p>

<p><b>CRU,s (Hostel 4 Zamdela)</b></p> <p>Phase 1 = 128 Units Phase 2 = 296 Units</p> <p>(Community Residential Units – Replacement of Hostel 4 Zamdela)</p> <p>Note: Pre-paid meters to be installed in ALL rental stock units to recover electrical services costs</p> <p>Tenants in excess of R50`000 monthly income should NOT be considered for CRU`s and be accommodated conditional</p>		
		<p>Rent</p> <p><b><u>Beneficiary – Target Group</u></b> <b>R800.00 to R7`500 pm &amp;</b> (Based on the high quality of the units and ± 20% of income – R800 pm)</p> <p>Status Quo Rent determined by MEC Human Settlement (1 March 2015) AS REPLACEMENT OF RECOMMENDED TARIFFS (For 2016 / 2017)</p>
Bachelor	R 540.00	R 540.00 pm
1 Bedroom self contained	R 715.00	R 715.00 pm
1,5 bedroom	R 895.00	R 895.00 pm
2 Bedroom interchangeable	R 1 150.00	R 1 150.00 pm
2 Bedroom self contained	R 1 150.00	R 1 150.00 pm
(And / Or as amended by Provincial Government / MEC Human Settlements)		
<p><b>ASSET MANAGEMENT INCENTIVES</b> (EXEMPTED ASSETS)</p>		<p>(Council 29 August 2013)</p>
<p><u>Allocation of Stands to the Poor</u> Allocation of municipal owned residential stands included the following:</p> <p>(1) First time allocation of vacant stands (2) Second allocation of abandoned stands (3) Third confirmation and allocation of stands occupied</p>		

<i>(4) Re-allocation of stands in Estate cases&amp;identified vacant municipal erven declared as `abandoned / dead` property</i>		
On date of application and submission of an approved IGG Registered Certificate - not older than 12 months – and for households within a threshold income not exceeding R3'000.00 p.m., <u>NO payment</u> will be required to a first time allocation of a residential stand	R0.00	R0.00
For income categories not exceeding a monthly income of R1'500.00 including the aged earning less than R3'500 pm an unrepeatable and one-time “allocation- / occupational land site fee”	R100.00	R105.00
For income categories exceeding R1501.00 not exceeding a monthly income of R3'500.00 an unrepeatable and one-time “allocation- / occupational land site fee”	R300.00	R315.00
For income categories from R3'501.00 not exceeding a monthly income of R7'000.00 an unrepeatable and one-time “allocation- / occupational land site fee” (FLISP)	R600.00	R630.00
For income categories from R7'001.00 not exceeding a monthly income of R15'000.00 threshold an unrepeatable and one-time “allocation- / occupational land site fee” (FLISP)	R1100.00	R1160.00
Exempted stands earmarked for housing delivery projects (RDP/BNG)for first time home owners and income categories not exceeding a monthly income of R3'500 pm	R1000 per stand	R1000 per stand
<b>AUCTIONS:</b> The Councils attorneys be given full power of attorney to act on behalf of the Council at the sale in execution of land / erven (public auction) of defaulters property and if stands are not bought to buy the properties on behalf of the Council	R10.00 / erf	R10.00 / erf
<b><u>INCENTIVE LAND PRICES</u></b>		
Business Erven Up to R8'000 R8001 to R12'000 R12'001 to R15'000	R15.00 /m <sup>2</sup> R30.00/m <sup>2</sup> R40.00/m <sup>2</sup>	<i>Status quo</i> <b>R15.00/m<sup>2</sup> R32.00/m<sup>2</sup> R42.00/m<sup>2</sup></b>
Community Facility (Church) Erven	R6.00/m <sup>2</sup>	<b>R7.00/m<sup>2</sup></b>
Residential Erven Up to R2'500 R2'501 to R5'000 R5'001 to R7'500 R7'501toR10'000 R10'001toR12'500	Up to R3.00/m <sup>2</sup> R6.00/m <sup>2</sup> R12.00/m <sup>2</sup> R17.00/m <sup>2</sup> R25.00/m <sup>2</sup>	<b>Up to R3.00/m<sup>2</sup> R6.00/m<sup>2</sup> R13.00/m<sup>2</sup> R18.00/m<sup>2</sup> R26.00/m<sup>2</sup></b>

R12`501toR15`000 Exceeding R15`001	R30.00/m <sup>2</sup> R40.00/m <sup>2</sup>	<b>R32.00/m<sup>2</sup></b> <b>R42.00/m<sup>2</sup></b>
<b>Servitudes</b> over municipal owned land in terms of Sections 60 and 116 of Act 32 of 2000	R3`000.00/servitude	<b>R3300.00/servitude</b>
<b>Integrated Human Settlement Plan (IHSP)</b>		
Hard Copies (Per Chapter / Selection or in Whole)	R0.00	<b>R350.00</b>
Electronic Format	R0.00	<b>R100.00</b>
<b>Map Fragments</b> (Inquiries for available data)		
Hard Copies (A4 Format)	R0.00	<b>R200.00</b>
Electronic Format	R0.00	<b>R100.00</b>
<b>Application for identification of Corner Pegs / Erf Boundaries</b>		
Informal Identification by means of General Plan Data	R0.00	<b>R500.00</b>
Formal Identification per SG Diagram	R0.00	<b>As per Quotation of Service Provider (Land Surveyor)</b>
<b>DEEDS OFFICE SEARCHES</b> (Public / Private request on Ownership)	R0.00	<b>R25.00/search</b>
<b>Attorneys, Notaries &amp; Conveyancers</b> (Inquiries for a certificate on occupational status of land (Sec 52(4) Act 4 of 1984)	R0.00	<b>R25.00/search</b>
<b>LETTERS OF AUTHORITY</b> (Application i.t.o Sec 18(3) of Estates Act 66 of 1965 of occupational / ownership status)	Exempted	<b>Exempted</b>
<b>High Value Assets</b>	In excess of R50 million	<i>Status Quo</i> In excess of R50 million

## THE FOLLOWING RECOMMENDED AS SPLUMA GUIDELINE TARIFFS

Urban Planning	R 2015/16	Amount Excl. VAT R 2016/2017
<b>SPLUMA Act</b>		
<b><u>Category 1: Application Type</u></b>		
Township Establishment 0 - 500	R4 000,00	<b>R3 440.00</b>
501 - 1000	R6 000,00	<b>R4 730.00</b>
1000 and more	R7 500,00	<b>R5 590.00</b>
Amendment of General Plan	R2 000,00	<b>R1 290.00</b>
Permanent closure of public open spaces (Street, Road Reserve, Open Space, Park)	R2 000,00	<b>R4 945.00</b>
Sasolburg Town Planning Scheme 1/1993 Amendments	R,00	<b>R4 945.00</b>
Vaal River Guide Plan applications	R0,00	<b>R2 150.00</b>
Application for extension of boundaries of an approved township	R0,00	<b>R3 225.00</b>
Application for phasing of a Township	R0,00	<b>R3 255.00</b>
Preparation of a Town-planning Scheme on a township establishment application if prepared by Council	R0,00	<b>R3 010.00</b>
<b><u>Category 2: Application Type</u></b>		
Removal, amendment or suspension of restrictive title conditions	R1 200,00	<b>R860.00</b>
Rezoning/De-zoning	R350.00 / application	<b>R2 580.00</b>
Special Consent Use	R2`500.00 / application	<b>R1290.00</b>
Subdivision	R350.00 / application	<b>R860.00</b>
Per additional 5 <sup>th</sup>	R100.00	<b>R72.00</b>
Consolidation	R350.00 / application	<b>R860.00</b>
Per additional 5 <sup>th</sup>	R100.00	<b>R72.00</b>
<b><u>Additional Fees / Tariffs</u></b>		
Zoning Certificates	R150.00 / application	<b>R132.00</b>
The withdrawal of an approved application for subdivision/consolidation	R0.00	<b>R516.00</b>
The amendment of the conditions on which the	R0.00	<b>R559.00</b>

subdivision/consolidation was approved		
The amendment of an approved consolidation or subdivision plan	R0.00	<b>R559.00</b>
Application for amendment of the conditions on which consent was given in terms of the Townships Ordinance and / or Act 4 of 1984 (Annexure F & Land Use Regulations)	R0.00	<b>R516.00</b>
Section 23 certificates (per certificate) for lodging of title deed with the Registrar of Deeds	R0.00	<b>R301.00</b>
Regulation Certificate: Subdivision / Consolidation (per subdivided portion)	R0.00	<b>R301.00</b>
Request for extension of time for township application	R0.00	<b>R688.00</b>
Appeal on decision	R0.00	<b>R2 580.00</b>
Building Line Relaxation	R0.00	<b>R301.00</b>
Consent application (Tuck shop)	R0.00	<b>R258.00</b>
Spatial Development Framework (SDF)		
Hard Copies	R0.00	<b>R129.00</b>
Electronic Format	R0.00	<b>R64.50</b>
Land Use Management- or Town Planning Scheme		
Hard Copies	R0.00	<b>R258.00</b>
Electronic Format	R0.00	<b>R129.00</b>
<b><u>Building Plan Fees / Tariffs</u></b>		
Building Plan: Approval Fee	R300.00 / application R19.00 / 10m <sup>2</sup> for the first 1`000m <sup>2</sup> R17.00 / 10m <sup>2</sup> for the following 1`000m <sup>2</sup> – namely 1`001 to 2`000m <sup>2</sup> R14.00 / 10m <sup>2</sup> for the following 1`000m <sup>2</sup> – namely 2`001m <sup>2</sup> to 4000m <sup>2</sup>	<b>R320.00 / application</b>  <b>R20.00 / 10m<sup>2</sup> for the first 1`000m<sup>2</sup></b>  <b>R18.00 / 10m<sup>2</sup> for the following 1`000m<sup>2</sup> – namely 1`001 to 2`000m<sup>2</sup></b>  <b>R15.00 / 10m<sup>2</sup> for the following 1`000m<sup>2</sup> – namely 2`001m<sup>2</sup> to 4000m<sup>2</sup></b>

Site Development Plans (SDP)	R0,00	<b>R1000,00</b>
Internal alterations on building plans	R300.00	<b>R320.00</b>
Swimming pools	R300.00	<b>R320.00</b>
Shade nets	R300.00	<b>R320.00</b>
Boundary walls	R300.00	<b>R320.00</b>
Permits	R300.00	<b>R320.00</b>
Signage	R273.00	<b>R320.00</b>
Inspection fee (farms / plots)	R450.00 / plan	<b>R500.00 / plan</b>
Building clause certificates	R300.00	<b>R320.00</b>
Billboards (Contracts)	R50.00 / m <sup>2</sup>	<b>R50.00 / m<sup>2</sup></b>

<b>Economic Development</b>	<b>R 2015/16</b>	<b>R 2016/17</b>
Containers at Zamdela Taxi Rank	R135.00 p.m.	<b>R140.00 p.m.</b>
<i>LED Strategy</i>		
Hard Copies (Per Chapter / Selection or in Whole)	R0.00	<b>R350.00</b>
Electronic Format	R0.00	<b>R100.00</b>
Application for SMME / Corporate Promotions	R0.00	<b>R100.00</b>

## 1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2016/17 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Zero based budgets and incremental method based on historical information, plus inflation in line with Treasury guidelines
- All increases more than the inflation to be properly motivated.
- The filling of vacancies should support challenges identified and key priorities as adopted at the strategic workshop. The organisational structure is in the process of being revised.

The following table is a high level summary of the 2016/17 budget and MTREF (classified per main type of operating expenditure):

**Table 13 Summary of operating expenditure by standard classification item**

Operating expenditure by main type	2015/16	2016/17	2017/18	2018/19
	Adjusted Budget	MTREF	MTREF	MTREF
	R'000	R'000	R'000	R'000
Employee related costs	226 193	249 435	267 675	287 111
Remuneration of councillors	15 520	16 343	17 453	18 711
Bad debts	97 146	84 441	85 147	77 079
Repairs and maintenance	33 790	38 199	39 978	45 591
Bulk purchases-electricity	191 491	216 662	245 911	270 503
Bulk purchases-water	133 392	154 993	170 232	186 976
Contracted services	33 347	36 532	38 200	34 864
Finance charges	1 189	2 241	1 789	1 293
General expenses	112 920	129 455	138 645	140 668
Depreciation	70 084	73 535	79 658	84 406
	915 072	998 836	1 084 688	1 147 202



**Employee Related Cost:** The budgeted allocation for employee related costs for the 2016/17 financial year totals R249.4 million, which equates to 25 per cent of the total operating expenditure. The three year collective SALGBC agreement has lapsed at 30 June 2015. Salary increases as per collective agreement have been factored into this budget at a percentage increase of 6.4 per cent for the 2016/17 financial year. An annual increase of 7.2 and 6.9 per cent has been included in the two outer years of the MTREF. It is now compulsory that employees must contribute to a medical aid fund. Provision is also made for the increments of R1 million that is included in line item Vacancies. Based on the proposed amended structure critical vacancies need to be determined. As a baseline, provision is made for vacancies of R5 million still to be filled in 2015/2016 and in 2016/2017. The vacancies based on the approved structure is R40 million. The organisational structure is currently in the process of being reviewed.

**Remuneration of councillors:** The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

**Bad Debts:** The provision of debt impairment was determined based on an annual collection rate of 87 per cent and the Debt collection and Credit Control Policy of the Municipality. For the 2016/17 financial year this amount equates to R84 million and decreases to R77 million by 2018/19. While this expenditure is considered to be a non-cash flow item, it is the municipality's realistically anticipated revenues.

**Depreciation:** Provision for depreciation and asset impairment has been informed by the Accounting Standards. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard are R70 million in 2015/2016. The budget appropriation totals R73.5 million for the 2016/17 financial and equates to 7.4 per cent of the total operating expenditure.

**Finance charges:** Finance charges consist primarily of the repayment of interest on long-term finance lease (cost of capital) and use of bank overdraft facility. Finance charges make up 0.2 per cent (R2.2 million) of operating expenditure excluding annual redemption for 2016/17 and decreases to R1.3 million by 2018/19.

**Bulk purchases Electricity and Water:** Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Rand Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include technical losses and distribution losses for water and electricity.

**Repairs and maintenance:** Repairs and maintenance (Schedule A4 as other materials) comprises of amongst others, materials for maintenance, cleaning materials and chemicals, as well as contractors. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure. For 2016/17 the appropriation against this group of expenditure has increased by 13 per cent (R4 million) and then continues to grow at 4.7 and 14 per cent for the two outer years of which budget allocation is in excess of R45.6 million by 2018/19.

**Contracted services:** In the 2016/17 financial year, contracted services totalled R36.5 million and has increased by 9.6 per cent. For the two outer years growth has been limited to 4.6 and a

negative growth of 8.7 per cent. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings measures will be implemented. Further details relating to contracted services can be seen in Table 50 MBRR SA1 (see page 188).

**General expenses:** Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 11.98 per cent for 2016/17 and curbed at 9.6 and 1.5 per cent for the two outer years, indicating that significant cost savings have been already realised. Further details relating to other expenditure can be seen in Table 50 MBRR SA1 (see page 188).

#### Detail/allocation of certain expenditure

Expenditure	Department	Amount	Explanation
<b>Legal Cost</b>	Organisational Development and Corporate Services	R5 000 000	Court cases, investigations, labour cases, etc.
	Social Services: Traffic	R5 550	
	Financial services	R5 266 360	Lawyers' fees. <b>There is also a revenue vote of the same amount as all the cost is recovered from the defaulters.</b>
<b>Professional fees</b>	Office of Municipal Manager	R3 000 000	
	MM: Internal audit	R350 000	Payment of Audit Committee members
	MM: PMU	R40 240	
	Human Resources	R100 000	
	Cleansing Services	R1 585 000	Tender for Rehabilitation of Landfill site (SMEC)
	Financial Services	R3 591 000	Assistance with Assets, Review of AFS, Actuarial valuation on employee benefits and Data

			cleansing
	LED: Housing and Properties	R 334 170	Review of 2013 Integrated Human Settlement Plan; De – registration and correction of title deeds; Legal opinion, instructions or identification of corner pegs, disposals and valuations
	Economic Development	R444 370	SMME Plan, Socio Economic survey; SMME Support Fund
	Tourism	R555 460	Heritage master plan, tourism master plan
	Urban planning	R1 051 680	Re-planning (subdivision and rezoning) of erven for eradicating housing backlog, amendment of general plan Zamdela <b>Extension 15</b> ,SDF review completion, amendment of Vaal River guide plan, re-planning of business erven in Zamdela, re-planning of erven in Metsimaholo and Refengkgotso
<b>Rental external equipment</b>	Office of the Mayor	R10 540	
	MM: ICT	R144 420	
	Department Organisation Development and Corporate services – (Director)	R10 210	

	Department Organisation Development and Corporate services – (Auxiliary)	<b>R900 000</b>	
	Social Services	R100 000	
	Cleansing Services	R2 500 000	Front end loaders, tipper trucks, compactor trucks to assist with cleaning of illegal dumping sites and landfill sites
	Public Safety	R10 540	
	<b>Parks</b>	<b>R773 630</b>	Digging of graves and cutting of grass in critical areas during rainy season. Service providers to assist with tree pruning. Borrow machines to drain the swimming pools. Photocopiers for libraries
	<b>Technical :Electricity</b>	<b>R1 502 220</b>	
	Finance	R18 100	Tracking device on vehicle
	LED	R41 770	
<b>Printing Services</b>			All printing work (bulk), agendas, budget books, annual financial statements, documents for ward meetings, public meetings, application forms, tender documents etc. All paper for copiers in departments.
	Political Offices	R324 550	

	Municipal Manager department	R417 090	
	Department Organisation Development and Corporate services	R1 963 980	
	Social services	R227 610	
	Technical services	R47 390	
	Financial services	R1 503 330	Statements for consumers(billing)
	LED	R124 170	
<b>Government Garage</b>	Political Offices	R409 860	
	Municipal Manager department	R46 250	
	Department Organisation Development and Corporate services	R97 360	
	Social services	R2 319 320	
	Technical services	R1 920 250	
	Financial services	R46 250	
	LED	R166 340	

The following table gives a breakdown of the main expenditure categories for the 2016/17 financial year.

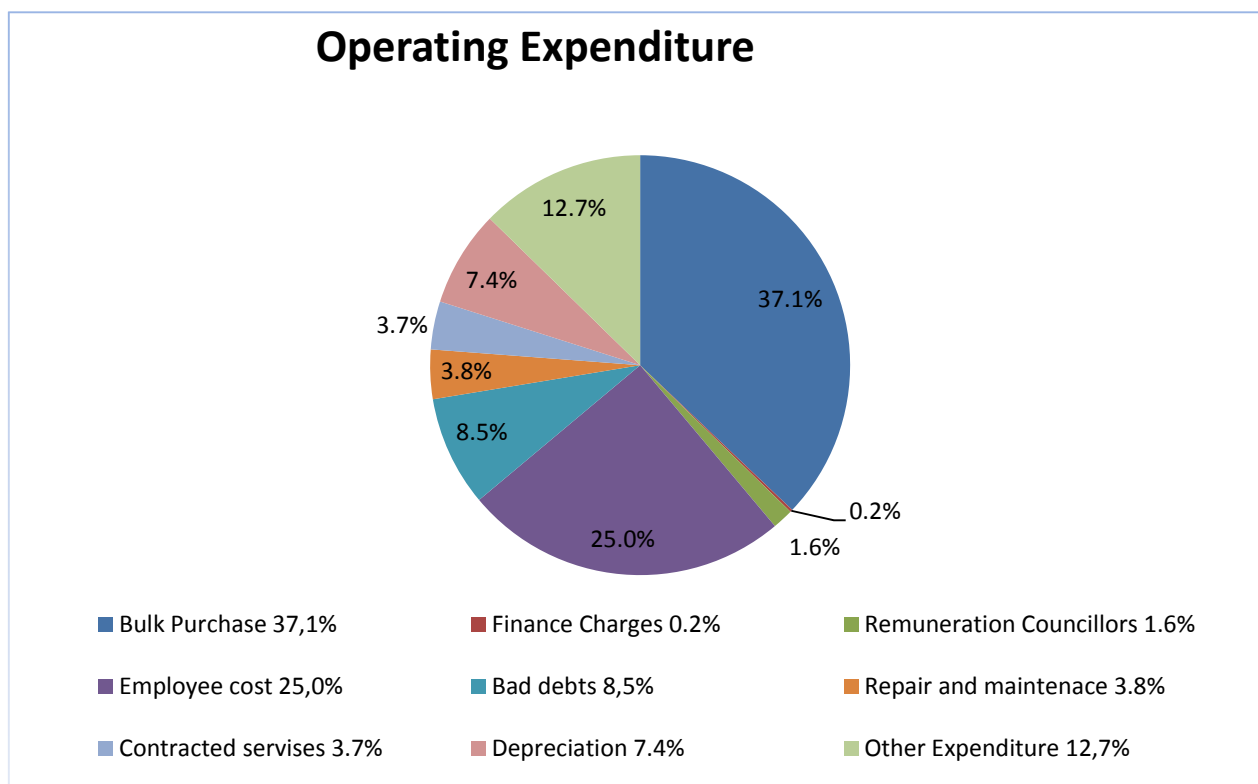


Figure 1 Main operational expenditure categories for the 2016/17 financial year

### 1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2016/17 budget and MTREF provide for extensive growth in the area of asset maintenance. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Remuneration is still included in Employee cost but in the table the employees cost of Technical Services is added to reflect the repair and maintenance cost. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 14 Operational repairs and maintenance

	2012/13	2013/14	2014/15	Current 2015/16			2016//2017MTREF		
R thousand	Audit Outcome	Audit Outcome	Audit Outcome	Original budget	Adjust Budget	Full year forecast	Budget 2016/17	Budget 2017/18	Budget 2018/19
Employee related cost	43 030	44 385	33 431	52 135	53 735	53 735	60 016	64 341	68 952
Materials and contracted services	23 608	15 227	25 693	33 537	33 791	33 791	38 199	39 978	45 591
<b>Total repairs and maintenance expenditure</b>	<b>66 638</b>	<b>59 612</b>	<b>59 124</b>	<b>85 672</b>	<b>87 526</b>	<b>87 526</b>	<b>98 215</b>	<b>104 319</b>	<b>114 543</b>

During the compilation of the 2016/17 MTREF operational budget repairs and maintenance was identified as a strategic imperative owing to the ageing infrastructure and historic deferred maintenance. To this end, repairs and maintenance increases by 14.6 per cent in the 2016/17 financial year, from R85.6 million to R98.2million. During the 2015/16 Adjustment Budget this allocation was adjusted slightly upwards to R87.5 million. As part of the 2016/17MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. The total allocation for 2016/17 equates to R98.2 million an increase of 12.2 per cent in relation to the Adjustment Budget and then continues to grow at 6.2 and 9.8per cent over the MTREF.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

**Table 15 Repairs and maintenance per asset class**

	2012/13	2013/14	2014/15	Current 2015/16			2016//2017MTREF		
R thousand	Audit Outcome	Audit Outcome	Audit Outcome	Original budget	Adjust Budget	Full year forecast	Budget 2016/17	Budget 2017/18	Budget 2018/19
<b>Repair and maintenance per asset class</b>									
Infrastructure Roads	19 666	14 602	11 735	27 748	28 297	28 297	29 971	31 823	33 741
Infrastructure Electricity	14 553	13 318	9 610	16 698	17 254	17 254	17 770	18 960	19 919
Infrastructure Water	11 383	10 714	12 632	14 217	14 218	14 218	16 076	17 183	18 325
Infrastructure Sanitation	8 871	10 227	16 818	11 369	11 686	11 686	13 751	14 694	15 818
Infrastructure Other	4 873	4 948	3 363	5 695	5 695	5 695	8 701	9 248	9 775
Community	1 105	194	244	669	830	830	782	781	813
Other assets	6 187	5 609	4 722	9 276	9 546	9 546	11 164	11 630	16 152
<b>Total Operating expenditure</b>	<b>66 638</b>	<b>59 612</b>	<b>59 124</b>	<b>85 672</b>	<b>87 526</b>	<b>87 526</b>	<b>98 215</b>	<b>104 319</b>	<b>114 543</b>

For the 2016/17 financial year, 79 per cent or R77.6 million of total repairs and maintenance will be spent on infrastructure assets. Electricity infrastructure has received a significant proportion of this allocation totalling 18.1 per cent (R17.8 million), road infrastructure at 30.5 per cent (R29.9 million), water at 16.4 per cent (R16.1 million) and sanitation at 14.0 per cent (R13.8 million). Community assets have been allocated R782 000 of total repairs and maintenance equating to 0.8 per cent.

### 1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. It is anticipated that there would 14 000 indigent households during the 2016/17 financial year. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 110.

The threshold to qualify as indigent is two times the state old age pension plus R1 000 as the maximum income per household.



The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

## 1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

**Table 16 2016/17 Medium-term capital budget per vote**

Capital expenditure by vote	2015/16		2016/17		2017/18		2018/19	
	Adjusted Budget	%	MTREF	%	MTREF	%		%
	R'000		R'000		R'000		R'000	
<b>Exec. &amp; Council</b> (MM, Executive Mayor, Council)	<b>4 733</b>	<b>3,12</b>	<b>5 683</b>	<b>5,02</b>	<b>2 896</b>	<b>2,26</b>	<b>2 955</b>	<b>2,41</b>
<b>Corporate Services</b>	<b>1 000</b>	<b>0,66</b>	<b>1 250</b>	<b>1,10</b>	<b>800</b>	<b>0,63</b>	<b>1 167</b>	<b>0,95</b>
<b>Social Services</b>	<b>31 737</b>	<b>20,92</b>	<b>12 052</b>	<b>10,64</b>	<b>25 475</b>	<b>19,91</b>	<b>31 513</b>	<b>25,74</b>
Refuse Removal	4 722	3,11	1 575	1,39	9 390	7,34	5 470	4,47
Public Safety	9 775	6,44	875	0,77	6 733	5,26	4 490	3,67
Sport and Recreation	9 843	6,49	8 686	7,67	1 424	1,11	19 519	15,94
Community Services	7 397	4,88	916	0,81	7 928	6,19	2 034	1,66
<b>Technical Services</b>	<b>113 587</b>	<b>74,87</b>	<b>91 345</b>	<b>80,66</b>	<b>94 256</b>	<b>73,65</b>	<b>83 290</b>	<b>68,03</b>
Streets and Storm water	28 436	18,74	53 713	47,43	28 221	22,05	21 951	17,93
Sewerage	35 283	23,26	2 196	1,94	19 666	15,37	25 099	20,50
Water supply	5 871	3,87	2 503	2,21	10 380	8,11	0	0,00
Electricity supply	38 042	25,07	30 263	26,72	33 959	26,54	35 640	29,11

Mechanical Workshop/Buildings	559	0,37	1 070	0,94	500	0,39	410	0,33
Administration	5 396	3,56	1 600	1,41	1 530	1,20	190	0,16
<b>Financial Services</b>	<b>661</b>	<b>0,44</b>	<b>665</b>	<b>0,59</b>	<b>2 800</b>	<b>2,19</b>	<b>3 500</b>	<b>2,86</b>
<b>Economic Dev. and Planning</b>			<b>2 250</b>	<b>1,99</b>	<b>1 750</b>	<b>1,37</b>	<b>0</b>	
Housing & Urban Planning								
Economic Development			<b>2 250</b>	<b>1,99</b>	<b>1 750</b>	<b>1,37</b>		
<b>TOTAL</b>	<b>151 718</b>	<b>100</b>	<b>113 245</b>	<b>100</b>	<b>127 977</b>	<b>100</b>	<b>122 425</b>	<b>100</b>

The biggest single portion of capital expenditure is allocated to Technical Services which amounts to **R91million** in 2016/2017 increasing to **R78 million** in 2018/2019.

It is projected that capital expenditure will increase over the next three years. This mainly due to delays in confirmation of funding from external sources (province and district) inadequate planning by departments of their capital projects over the medium term. This issue is continuously being addressed as part of the municipality's budget reform programme. However, the two outer years will be populated with projects during the 2016/2017 budget and IDP process. Roads receive R53.7 million in 2016/17 which equates to 47.4 per cent, electricity at 26.7 per cent, R30.2 million, water at 2.2 per cent, R2.5 million and sewer 1.9 per cent, R2.2 million.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 26 MBRR A9 (Asset Management) on page 107. In addition to the MBRR Table A9, MBRR Tables 47; 48 and 49 -SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 180 and 182). Some of the salient projects to be undertaken over the medium-term includes, amongst others:

**Conditional Grants**

	2016/2017	2017/2018	2018/2019
Gortin sewer		R9.9m	
Construction of roads & storm water	R32.8m	R17m	R3.3m
Construction of sports complex Refengkgotso			R16.6m
Construction of sports complex Metsimaholo	R7.7m	R280 000	
Zamdela cemetery boundary fence	R5.5m	R452 750	
Amelia / Gortin & Moodraai bulk electricity supply	R18m	R15m	R13m
Sewer Connections			R16.2m
Rehabilitation of Oranjeville water treatment works		R1.3m	R8.7m
Data centre mSCOA	R1m		
Land fill site		R4.7m	R270 000
Equipment PMU	R100 000	R80 000	R30 000
High mast lights Amelia		R4.5m	R250 000

**Own funding**

- Upgrading of electricity substation R1.5million
- Resealing of roads R12 million
- Office furniture R600(k)
- Rehabilitation of landfill site R1.5 million
- Water pumps: R1.5 million
- Sewer pumps: R1.5 million
- Electricity to non-electrified areas: R1.5 million
- ITC upgrading mSCOA R3 m
- Vehicles and equipment R7.8
- Call centre R650(k)
- Bulk electricity supply Gortin R6m
- Air conditioners R750(k)
- Fleet Management tracking devices R300(k)

**Sasol Mining**

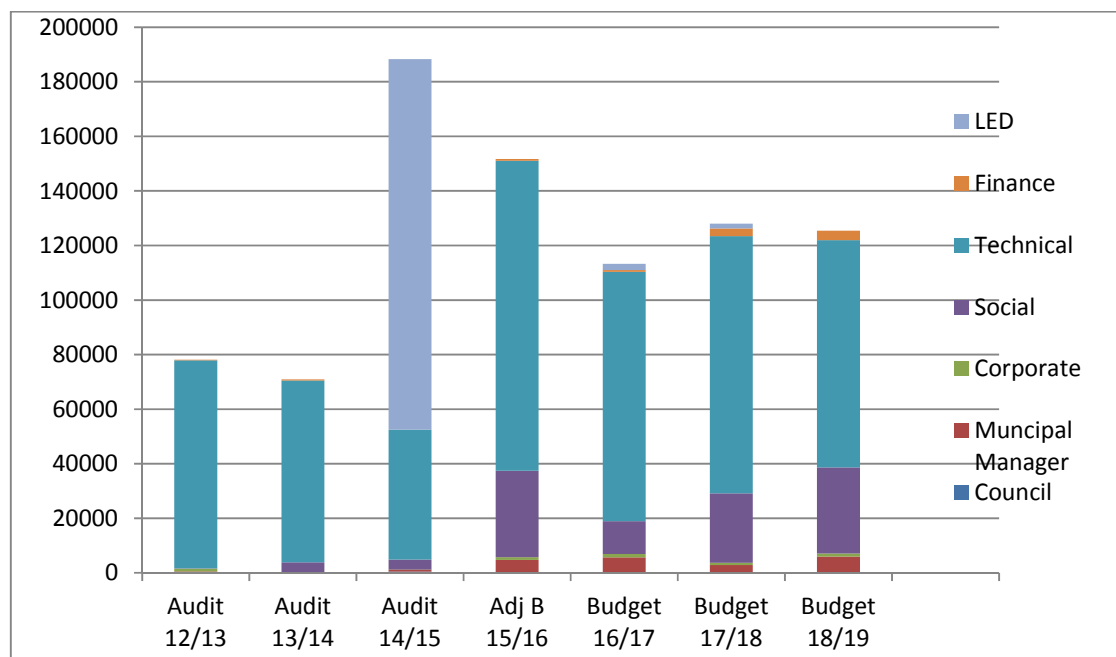
- Roads R7.5 million

**Borrowing**

- Flatbed trucks R1m

Furthermore Annexure A on pages \_\_ to \_contains a detailed breakdown of the capital budget per project over the medium-term.

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.



**Figure 2 Capital Infrastructure Programme**

The municipality is highly dependent on conditional grant funding for its capital expenditure. The cash flow of the municipality is under strain and there is a limited surplus on the operating budget which could be used for capital expenditure.

## 1.7 Annual Budget Tables

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2015/16 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

**Table 17MBRRTable A1 - Budget Summary**

FS204 Metsimaholo - Table A1 Budget Summary

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Financial Performance</b>										
Property rates	92 485	96 376	111 299	107 386	103 140	103 140	–	113 366	120 916	128 546
Service charges	356 743	398 767	487 710	618 472	597 139	597 139	–	696 381	749 988	806 812
Investment revenue	1 543	1 694	2 167	2 000	2 560	2 560	–	2 600	2 600	2 600
Transfers recognised - operational	97 822	104 642	112 034	125 831	125 831	125 831	–	131 694	152 642	162 217
Other own revenue	31 639	48 612	63 264	40 507	39 564	39 564	–	36 265	37 076	40 463
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>580 233</b>	<b>650 090</b>	<b>776 474</b>	<b>894 195</b>	<b>868 234</b>	<b>868 234</b>	<b>–</b>	<b>980 306</b>	<b>1 063 222</b>	<b>1 140 637</b>
Employee costs	170 173	188 398	175 080	222 960	226 193	226 193	–	249 435	267 675	287 111
Remuneration of councillors	12 102	13 173	14 410	15 519	15 520	15 520	–	16 343	17 453	18 711
Depreciation & asset impairment	43 309	32 238	38 692	70 084	70 084	70 084	–	73 535	79 658	84 406
Finance charges	1 174	2 282	4 602	2 331	1 189	1 189	–	2 241	1 789	1 293
Materials and bulk purchases	258 726	270 799	304 914	358 401	358 673	358 673	–	409 853	456 121	503 071
Transfers and grants	9 663	–	–	–	–	–	–	–	–	–
Other expenditure	151 500	179 230	277 238	262 679	243 414	243 414	–	247 427	261 992	252 611
<b>Total Expenditure</b>	<b>646 647</b>	<b>686 120</b>	<b>814 936</b>	<b>931 973</b>	<b>915 072</b>	<b>915 072</b>	<b>–</b>	<b>998 836</b>	<b>1 084 688</b>	<b>1 147 202</b>
<b>Surplus/(Deficit)</b>	<b>(66 414)</b>	<b>(36 030)</b>	<b>(38 462)</b>	<b>(37 778)</b>	<b>(46 838)</b>	<b>(46 838)</b>	<b>–</b>	<b>(18 530)</b>	<b>(21 466)</b>	<b>(6 565)</b>
Transfers recognised - capital	67 136	83 124	190 784	78 855	76 855	76 855	–	67 092	58 473	58 818
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>722</b>	<b>47 094</b>	<b>152 322</b>	<b>41 077</b>	<b>30 017</b>	<b>30 017</b>	<b>–</b>	<b>48 562</b>	<b>37 007</b>	<b>52 253</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>722</b>	<b>47 094</b>	<b>152 322</b>	<b>41 077</b>	<b>30 017</b>	<b>30 017</b>	<b>–</b>	<b>48 562</b>	<b>37 007</b>	<b>52 253</b>
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	78 113	70 910	188 267	185 852	151 718	151 718	–	113 245	127 977	122 425
Transfers recognised - capital	64 639	67 809	184 086	96 355	77 707	77 707	–	67 092	58 473	58 818
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	9 000	–	–	31 880	18 000	18 000	–	1 000	–	–
Internally generated funds	4 475	3 101	4 181	57 617	56 011	56 011	–	45 154	69 504	63 607
<b>Total sources of capital funds</b>	<b>78 113</b>	<b>70 910</b>	<b>188 267</b>	<b>185 852</b>	<b>151 718</b>	<b>151 718</b>	<b>–</b>	<b>113 245</b>	<b>127 977</b>	<b>122 425</b>
<b>Financial position</b>										
Total current assets	155 493	180 873	229 204	199 685	278 466	278 307	–	319 941	331 041	373 861
Total non-current assets	944 986	1 013 352	1 167 232	1 157 053	1 248 866	1 248 866	–	1 288 676	1 336 996	1 375 015
Total current liabilities	170 611	187 544	214 671	158 199	160 267	162 267	–	177 041	182 438	188 145
Total non-current liabilities	85 130	87 214	95 302	109 424	116 247	116 247	–	119 184	124 217	129 258
Community wealth/Equity	844 738	919 467	1 086 463	1 089 115	1 250 818	1 248 659	–	1 312 393	1 361 382	1 431 473

<b>Cash flows</b>										
Net cash from (used) operating	65 016	97 635	44 755	113 162	104 305	104 305	–	125 402	124 978	148 842
Net cash from (used) investing	(75 815)	(67 191)	(43 619)	(166 852)	(145 865)	(145 865)	–	(104 744)	(127 777)	(119 841)
Net cash from (used) financing	12 307	(13 500)	(1 070)	29 680	16 097	16 097	–	(2 389)	(4 041)	(5 138)
Cash/cash equivalents at the year end	9 184	26 129	26 195	159	732	732	–	19 001	12 160	36 023
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	16 184	26 129	26 195	159	891	732	–	19 001	12 160	36 023
Application of cash and investments	116 356	149 063	143 681	87 538	599	599	–	(130)	(1 284)	(4 897)
Balance - surplus (shortfall)	(100 172)	(122 934)	(117 486)	(87 379)	292	133	–	19 131	13 444	40 920
<b>Asset management</b>										
Asset register summary (WDV)	943 311	1 013 352	1 167 232	1 157 053	1 248 866	1 248 866		1 297 136	1 348 536	1 374 969
Depreciation & asset impairment	43 309	32 238	38 692	70 084	70 084	70 084		73 535	79 658	84 406
Renewal of Existing Assets	–	–	–	2 020	–	–		17 476	27 812	34 542
Repairs and Maintenance	66 638	59 567	59 123	85 672	87 526	87 526		98 214	104 320	114 543
<b>Free services</b>										
Cost of Free Basic Services provided	37 355	39 099	25 668	36 747	30 664	30 664		52 187	55 834	59 615
Revenue cost of free services provided	48 152	63 167	52 910	40 524	50 614	50 614		52 758	54 988	57 241
<b>Households below minimum service level</b>										
Water:	2	3	1	8	8	8		–	–	–
Sanitation/sewerage:	2	12	9	14	14	14		–	–	–
Energy:	–	–	–	–	–	–		–	–	–
Refuse:	30	69	72	72	52	52		53	54	55

### Explanatory notes to MBRR Table A1 - Budget Summary

- Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
- Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - The operating surplus/deficit (after Total Expenditure) is negative over the MTREF
  - Capital expenditure is balanced by capital funding sources, of which
    - Transfers recognised is reflected on the Financial Performance Budget;
    - Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. If the municipality's cash flow is positive, and is improving it indicates that the necessary cash resources are available to fund the Capital Budget. Capital from own funding (accumulated surplus) will only be used based on the availability of cash.

4. Even though the Council is placing great emphasis on financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

**Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

FS204 Metsimaholo - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>										
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		200 944	199 724	373 545	199 916	246 273	246 273	201 202	219 388	241 230
Executive and council		414	407	359	250	310	310	2 981	3 143	3 278
Budget and treasury office		198 261	197 686	236 546	192 455	238 572	238 572	194 788	212 634	233 760
Corporate services		2 268	1 630	136 640	7 211	7 391	7 391	3 433	3 611	4 192
<i>Community and public safety</i>		10 651	25 179	30 764	23 320	22 396	22 396	21 196	19 732	31 470
Community and social services		1 021	3 317	2 148	3 277	2 810	2 810	3 106	8 493	3 445
Sport and recreation		1 655	1 759	1 186	9 825	10 368	10 368	10 487	3 242	19 622
Public safety		4 503	16 282	23 372	6 519	5 518	5 518	3 602	3 796	4 001
Housing		3 472	3 820	4 058	3 700	3 700	3 700	4 001	4 201	4 401
<i>Economic and environmental services</i>		36 951	36 404	35 239	983	1 038	1 038	42 263	19 120	5 489
Planning and development		289	504	534	680	736	736	1 945	2 050	2 158
Road transport		36 662	35 900	34 705	302	302	302	40 318	17 070	3 331
<i>Trading services</i>		398 823	471 907	527 710	748 831	675 382	675 382	782 737	863 454	921 266
Electricity		177 256	217 190	206 431	284 562	277 242	277 242	317 288	354 432	374 805
Water		184 309	195 031	266 230	346 550	314 242	314 242	380 813	404 344	427 597
Waste water management		15 641	27 961	24 533	66 520	53 967	53 967	34 776	48 201	63 936
Waste management		21 617	31 725	30 517	51 198	29 931	29 931	49 860	56 477	54 928
<b>Total Revenue - Standard</b>		<b>647 369</b>	<b>733 214</b>	<b>967 258</b>	<b>973 050</b>	<b>945 089</b>	<b>945 089</b>	<b>1 047 398</b>	<b>1 121 695</b>	<b>1 199 455</b>
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		92 758	96 336	191 650	155 744	154 887	154 887	181 878	193 100	206 128
Executive and council		44 196	42 799	66 781	67 616	61 233	61 233	70 383	77 785	85 213
Budget and treasury office		35 754	27 398	84 998	40 193	38 285	38 285	50 747	50 226	51 930
Corporate services		12 809	26 139	39 871	47 935	55 369	55 369	60 748	65 088	68 985
<i>Community and public safety</i>		61 758	72 022	116 289	92 315	91 832	91 832	106 531	113 705	124 617
Community and social services		6 626	7 362	7 260	11 006	9 199	9 199	12 869	13 471	14 281
Sport and recreation		21 326	28 538	15 785	33 515	34 547	34 547	41 430	44 256	47 753
Public safety		30 972	32 876	90 225	43 790	44 035	44 035	47 760	51 197	57 507
Housing		2 834	3 246	3 019	4 003	4 051	4 051	4 471	4 781	5 075
<i>Economic and environmental services</i>		45 674	34 446	40 429	59 551	59 746	59 746	68 754	72 806	75 635
Planning and development		3 169	4 710	7 344	7 062	7 503	7 503	9 215	9 900	9 812
Road transport		42 505	29 736	33 085	52 488	52 243	52 243	59 539	62 906	65 823
<i>Trading services</i>		446 456	483 315	466 568	624 363	608 607	608 607	641 673	705 077	740 822
Electricity		207 570	200 041	212 562	260 328	257 637	257 637	274 969	313 081	327 386
Water		173 904	190 026	183 969	250 481	248 797	248 797	258 442	276 821	291 765
Waste water management		34 593	47 980	40 971	54 280	49 205	49 205	50 917	54 439	58 225
Waste management		30 389	45 269	29 066	59 275	52 968	52 968	57 345	60 736	63 446
<b>Total Expenditure - Standard</b>		<b>646 647</b>	<b>686 120</b>	<b>814 936</b>	<b>931 973</b>	<b>915 072</b>	<b>915 072</b>	<b>998 836</b>	<b>1 084 688</b>	<b>1 147 202</b>
<b>Surplus/(Deficit) for the year</b>		<b>722</b>	<b>47 094</b>	<b>152 322</b>	<b>41 077</b>	<b>30 017</b>	<b>30 017</b>	<b>48 562</b>	<b>37 007</b>	<b>52 253</b>



**Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4 before capital grants.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Water and Electricity.
4. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
5. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Financial Services.

**Table 19MBRRTTableA3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

FS204 Metsimaholo - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description  R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue by Vote</b>										
Vote 1 - Council/Mayor, Speaker and Councillors		20	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		1 560	7 408	2 672	1 958	1 978	1 978	3 731	2 884	3 010
Vote 3 - Organisational Development & Corporate Services		545	362	970	398	618	618	1 678	1 764	1 855
Vote 4 - Social Services		52 217	54 422	74 408	71 553	67 242	67 242	67 882	72 887	82 926
Vote 5 - Infrastructure Services		484 137	512 423	611 291	729 945	726 255	726 255	812 442	865 718	913 799
Vote 6 - Financial Services		140 276	193 455	194 444	192 454	203 863	203 863	194 789	214 436	233 759
Vote 7 - Local Economic Development		4 037	4 731	138 776	9 480	9 535	9 535	6 946	8 351	9 159
<b>Total Revenue by Vote</b>		<b>682 793</b>	<b>772 802</b>	<b>1 022 561</b>	<b>1 005 789</b>	<b>1 009 491</b>	<b>1 009 491</b>	<b>1 087 469</b>	<b>1 166 040</b>	<b>1 244 508</b>
<b>Expenditure by Vote, to be appropriated</b>										
Vote 1 - Council/Mayor, Speaker and Councillors		27 907	30 354	33 535	39 800	40 423	40 423	38 464	41 122	43 780
Vote 2 - Municipal Manager		5 675	14 557	78 643	49 043	39 717	39 717	52 727	58 070	61 662
Vote 3 - Organisational Development & Corporate Services		13 413	11 637	14 683	16 192	25 024	25 024	29 489	31 967	33 582
Vote 4 - Social Services		92 277	103 502	93 467	129 996	132 804	132 804	139 737	148 935	161 044
Vote 5 - Infrastructure Services		494 157	515 874	565 523	667 168	673 064	673 064	703 669	770 703	812 390
Vote 6 - Financial Services		36 462	34 343	62 247	40 192	45 812	45 812	50 749	52 027	51 930
Vote 7 - Local Economic Development		12 180	15 439	22 141	22 320	22 630	22 630	24 072	26 208	27 868
<b>Total Expenditure by Vote</b>		<b>682 071</b>	<b>725 707</b>	<b>870 238</b>	<b>964 712</b>	<b>979 474</b>	<b>979 474</b>	<b>1 038 906</b>	<b>1 129 033</b>	<b>1 192 255</b>
<b>Surplus/(Deficit) for the year</b>		<b>722</b>	<b>47 094</b>	<b>152 322</b>	<b>41 077</b>	<b>30 017</b>	<b>30 017</b>	<b>48 562</b>	<b>37 007</b>	<b>52 253</b>

**Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote

The following table is an analysis of the surplus or deficit for the electricity and water trading services as well as sanitation and waste removal as economic services.

**Table 20 Surplus/(Deficit) calculations for the trading services**

Description	2012/2013	2013/2014	2014/2015	2015/16	2015/16	2015/16	2016/17	2017/18	2018/19
R Thousand	Audit outcome	Audit outcome	Audit outcome	Original Budget	Adjusted Budget	Full Year Forecast	MTREF	MTREF	MTREF
<b>Electricity</b>									
Total Revenue	201 889	257 536	238 378	308 850	307 590	307 590	346 878	385 85	408 084
Total Expenditure	219 353	225 154	242 764	284 615	284 955	284 955	304 559	344 505	360 665
Surplus/(Deficit) for the year	(17 464)	32 382	(4 386)	24 235	22 635	22 635	42 319	41 352	47 419
Percentage Surplus	(8.65%)	12,57%	(1,84%)	7,85%	7,36%	7,36%	12,20%	10,72%	11,62%
<b>Water</b>									
Total Revenue	217 129	230 279	302 549	354 055	352 055	352 055	390 284	414 392	438 238
Total Expenditure	179 635	196 538	228 721	257 986	263 694	263 694	267 913	286 869	302 406
Surplus/(Deficit) for the year	37 494	33 741	73 828	96 069	88 361	88 361	122 371	127 523	135 832
Percentage Surplus	17.27%	14,65%	24,40%	27,13%	25,10%	25,10%	31,35%	30,77%	31,00%
<b>Sanitation</b>									
Total Revenue	28 452	36 230	35 659	66 733	66 303	66 303	34 958	48 393	64 140
Total Expenditure	40 085	48 163	50 702	54 493	54 192	54 192	51 099	54 632	58 429
Surplus/(Deficit) for the year	(11 633)	(11 933)	(15 043)	12 240	12 111	12 111	(16 141)	(6 239)	5 711
Percentage Surplus	(40.89%)	(32,94%)	(42,19%)	18,34%	18,27%	18,27%	(46,17)	(2,89)	8,90

<b>Waste Removal</b>									
Total Revenue	45 038	44 509	47 702	51 933	48 545	48 545	50 687	57 355	55 858
Total Expenditure	42 365	45 837	40 841	60 009	62 643	62 643	58 172	61 614	64 376
Surplus/(Deficit) for the year	2 673	(1 328)	6 861	(8 076)	(14 098)	(14 098)	(7 485)	(4 259)	(8 518)
Percentage Surplus	5.93%	(2,98%)	14,38	(15,55%)	(29,04%)	(29,04%)	(14,77)	(7,43)	(15,25)

1. Electricity trading surplus stabilised over the 2016/17 MTREF from a surplus of 12.2 per cent or R42 million in 2016/17 to a surplus of 11.6 per cent by 2018/19. The capital grants that are reflected as revenue decreases over the delayed medium term.
2. Water surplus on the water account remains relatively constant over the MTREF translating into a surplus of 31.35 per cent, 30.77 per cent and 31.0 per cent for each of the respective financial years and is as a result of the implementation of the inclining tariff.
3. Sanitation deficit is decreasing over the 2016/17 MTREF from a deficit of 46.17 per cent or R16.1million in 2016/17 to a surplus of 8.9 per cent by 2018/19. The capital grants that are reflected as revenue increased in the last period.
4. Waste Removal deficit is stable over the 2016/17 MTREF from a deficit of 14.77 per cent or R7.5 m in 2016/17 to a deficit of 15.25 per cent by 20178/19.
5. Tariff modelling is in progress and will assess whether tariffs are cost effective for all the trading services. The process will be finalised in the 2016/17 financial year.

**Table 21MBRRTable A4 - Budgeted Financial Performance (revenue and expenditure)**

FS204 Metsimaholo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>										
<b>Revenue By Source</b>										
Property rates		92 485	96 376	111 299	107 386	103 140	103 140	–	113 366	120 916
Service charges - electricity revenue		164 079	178 217	195 341	243 223	241 053	241 053	–	284 053	312 458
Service charges - water revenue		155 164	175 524	249 416	307 067	298 555	298 555	–	349 547	371 219
Service charges - sanitation revenue		14 677	16 150	18 087	24 250	19 894	19 894	–	21 545	22 880
Service charges - refuse revenue		16 081	17 390	23 796	35 618	26 678	26 678	–	27 807	29 531
Service charges - other		6 743	11 487	1 071	8 313	10 959	10 959		13 429	13 899
Rental of facilities and equipment		4 514	4 858	4 600	5 272	5 112	5 112		5 780	5 922
Interest earned - external investments		1 543	1 694	2 167	2 000	2 560	2 560		2 600	2 600
Interest earned - outstanding debtors		13 900	17 139	14 576	18 171	18 171	18 171		18 940	19 745
Dividends received		–	78	88	–	–	–		–	–
Fines		4 194	15 855	22 876	6 024	5 024	5 024		3 025	3 188
Licences and permits		120	146	149	181	181	181		191	201
Agency services		–	–	–	–	–	–		–	–
Transfers recognised - operational		97 822	104 642	112 034	125 831	125 831	125 831		131 694	152 642
Other revenue		4 779	2 947	18 661	5 860	6 075	6 075	–	7 328	7 820
Gains on disposal of PPE		4 132	7 589	2 314	5 000	5 001	5 001		1 001	200
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>580 233</b>	<b>650 090</b>	<b>776 474</b>	<b>894 195</b>	<b>868 234</b>	<b>868 234</b>	<b>–</b>	<b>980 306</b>	<b>1 063 222</b>
<b>Expenditure By Type</b>										
Employee related costs		170 173	188 398	175 080	222 960	226 193	226 193	–	249 435	267 675
Remuneration of councillors		12 102	13 173	14 410	15 519	15 520	15 520	–	16 343	17 453
Debt impairment		62 594	84 993	114 846	84 279	97 146	97 146	–	84 441	85 147
Depreciation & asset impairment		43 309	32 238	38 692	70 084	70 084	70 084	–	73 535	79 658
Finance charges		1 174	2 282	4 602	2 331	1 189	1 189	–	2 241	1 789
Bulk purchases		235 118	255 573	279 220	324 864	324 883	324 883	–	371 654	416 143
Other materials		23 608	15 227	25 693	33 537	33 790	33 790	–	38 199	39 978
Contracted services		20 022	23 972	83 216	33 601	33 347	33 347	–	36 532	38 200
Transfers and grants		9 663	–	–	–	–	–	–	–	–
Other expenditure		62 909	64 077	73 660	144 799	112 921	112 921	–	126 454	138 645
Loss on disposal of PPE		5 975	6 189	5 516	–	–	–	–	–	–
<b>Total Expenditure</b>		<b>646 647</b>	<b>686 120</b>	<b>814 936</b>	<b>931 973</b>	<b>915 072</b>	<b>915 072</b>	<b>–</b>	<b>998 836</b>	<b>1 084 688</b>
<b>Surplus/(Deficit)</b>		<b>(66 414)</b>	<b>(36 030)</b>	<b>(38 462)</b>	<b>(37 778)</b>	<b>(46 838)</b>	<b>(46 838)</b>	<b>–</b>	<b>(18 530)</b>	<b>(21 466)</b>
Transfers recognised - capital		67 136	83 124	190 784	78 855	76 855	76 855	–	67 092	58 473
Contributions recognised - capital		–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after taxation</b>		<b>722</b>	<b>47 094</b>	<b>152 322</b>	<b>41 077</b>	<b>30 017</b>	<b>30 017</b>	<b>–</b>	<b>48 562</b>	<b>37 007</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>722</b>	<b>47 094</b>	<b>152 322</b>	<b>41 077</b>	<b>30 017</b>	<b>30 017</b>	<b>–</b>	<b>48 562</b>	<b>37 007</b>
<b>Surplus/(Deficit) for the year</b>		<b>722</b>	<b>47 094</b>	<b>152 322</b>	<b>41 077</b>	<b>30 017</b>	<b>30 017</b>	<b>–</b>	<b>48 562</b>	<b>37 007</b>

**Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)****1. Total revenue**

Total revenue is R1. 047 billion in 2016/17 and escalates to R1.199 billion by 2018/19. This represents a year-on-year increase of 7 per cent for the 2017/18 financial year and 6.9 per cent for the 2018/19 financial year.

**2. Property Rates**

Revenue to be generated from property rates is R113.4 million in the 2016/17 financial year and increases to R128.6 million by 2018/19 which represents 11 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 8 per cent, 6.2 per cent and 5.9 per cent for each of the respective financial years of the MTREF.

**3. Service charges**

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R682.9 million for the 2016/17 financial year and increasing to R792 million by 2018/19. For the 2016/17 financial year services charges amount to 65.2 per cent of the total revenue base and increase over the medium-term to 65.6 per cent and 66.1 per cent.

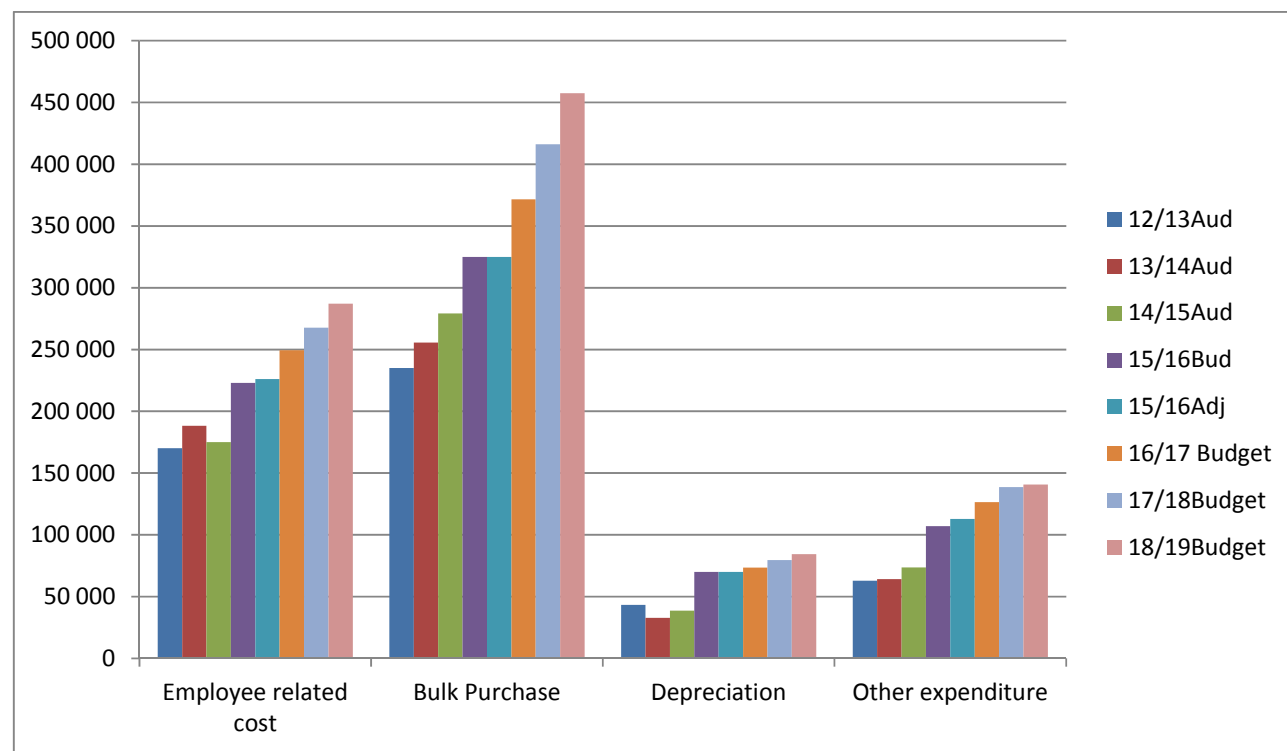
**4. Transfers –operational revenue**

Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing over the MTREF by 4.7 per cent and 15.9 per cent and 6.3 per cent for the two outer years. The percentage share of this revenue source declines due to the more rapid relative growth in service charge revenues.

**5. Budget surplus and Capital transfers**

The budget reflects a **deficit** before transfer of capital grants of R**18** million, R**21** million and R**6** million for the years related to MTREF. Capital transfers are done in terms of GRAP and Circular 42. After accounting for capital transfers the budget reflects a surplus of R48m, R37m and R52m respectively.

6. The following graph illustrates the major expenditure items per type.



**Figure 3 Expenditure by major type**

7. Bulk purchases have significantly increased over the 2013/14 to 2018/19 period escalating from R235.1million to R457.5 million.

These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from Rand Water.

8. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

**Table 22 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

FS204 Metsimaholo - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital expenditure - Vote</b>											
<b><u>Multi-year expenditure to be appropriated</u></b>											
Vote 1 - Council/Mayor, Speaker and Councillors		–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		–	–	737	5 035	5 035	5 035	–	5 683	2 896	2 955
Vote 3 - Organisational Development & Corporate Services		–	42	28	1 150	1 000	1 000	–	1 250	800	1 167
Vote 4 - Social Services		–	3 644	3 657	40 358	31 737	31 737	–	12 053	25 475	31 513
Vote 5 - Infrastructure Services		–	66 697	47 604	139 069	113 285	113 285	–	91 345	94 256	83 291
Vote 6 - Financial Services		–	375	–	–	–	–	–	665	2 800	3 500
Vote 7 - Local Economic Development		–	–	135 779	–	–	–	–	2 250	1 750	–
<b>Capital multi-year expenditure sub-total</b>		–	70 758	187 804	185 612	151 057	151 057	–	113 245	127 977	122 425
<b><u>Single-year expenditure to be appropriated</u></b>											
Vote 1 - Council/Mayor, Speaker and Councillors		23	152	463	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		484	–	–	–	–	–	–	–	–	–
Vote 3 - Organisational Development & Corporate Services		1 002	–	–	–	–	–	–	–	–	–
Vote 4 - Social Services		115	–	–	–	–	–	–	–	–	–
Vote 5 - Infrastructure Services		76 291	–	–	–	–	–	–	–	–	–
Vote 6 - Financial Services		200	–	–	240	661	661	–	–	–	–
Vote 7 - Local Economic Development		–	–	–	–	–	–	–	–	–	–
<b>Capital single-year expenditure sub-total</b>		78 113	152	463	240	661	661	–	–	–	–
<b>Total Capital Expenditure - Vote</b>		78 113	70 910	188 267	185 852	151 718	151 718	–	113 245	127 977	122 425
<b><u>Capital Expenditure - Standard</u></b>											
<b><i>Governance and administration</i></b>		11 451	569	137 006	13 263	12 800	12 800	–	12 518	9 786	7 722
Executive and council		1 024	152	470	1 802	1 802	1 802	–	1 650	380	1 197
Budget and treasury office		200	375	–	240	661	661	–	665	2 800	3 500
Corporate services		10 227	42	136 536	11 221	10 337	10 337	–	10 203	6 606	3 025
<b><i>Community and public safety</i></b>		215	3 644	46	35 108	27 765	27 765	–	10 478	16 575	26 543
Community and social services		12	2 338	–	4 524	4 520	4 520	–	990	6 647	1 035
Sport and recreation		100	1 306	46	12 874	12 720	12 720	–	8 613	2 705	20 518
Public safety		102	–	–	17 710	10 525	10 525	–	875	7 223	4 990
Housing		–	–	–	–	–	–	–	–	–	–
<b><i>Economic and environmental services</i></b>		10 042	1 408	2 461	37 560	28 436	28 436	–	53 713	28 220	21 951
Planning and development		–	–	–	–	–	–	–	–	–	–
Road transport		10 042	1 408	2 461	37 560	28 436	28 436	–	53 713	28 220	21 951
Environmental protection		–	–	–	–	–	–	–	–	–	–
<b><i>Trading services</i></b>		56 405	65 288	48 753	99 921	82 717	82 717	–	36 537	73 395	66 209
Electricity		7 550	23 873	7 126	52 860	36 840	36 840	–	30 263	33 959	35 640
Water		20 712	6 873	5 254	5 825	5 872	5 872	–	2 503	10 380	–
Waste water management		28 143	34 542	32 763	35 236	35 283	35 283	–	2 196	19 666	25 099
Waste management		–	–	3 610	6 000	4 722	4 722	–	1 575	9 390	5 470
<b>Total Capital Expenditure - Standard</b>		78 113	70 910	188 267	185 852	151 718	151 718	–	113 245	127 977	122 425



<b>Funded by:</b>											
National Government		64 639	67 809	184 086	96 355	77 707	77 707		67 092	58 473	58 818
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital		64 639	67 809	184 086	96 355	77 707	77 707	–	67 092	58 473	58 818
Public contributions & donations		–	–								
Borrowing		9 000	–		31 880	18 000	18 000		1 000	–	–
Internally generated funds		4 475	3 101	4 181	57 617	56 011	56 011		45 154	69 504	63 607
Total Capital Funding		78 113	70 910	188 267	185 852	151 718	151 718	–	113 245	127 977	122 425

### Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Single-year capital expenditure has been appropriated at zero for the 2016/17 financial year and flattens out over the MTREF at levels of zero respectively for the two outer years.
4. Multi-year capital expenditure has been appropriated at R113 million for the 2016/17 financial year and flattens out over the MTREF at levels of R128 million and R122million respectively for the two outer years.
5. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
6. The capital programs are funded from capital and provincial grants and transfers, borrowing and internally generated funds from current year surpluses. For 2016/17, capital transfers (grants) totals R58.6million (53 per cent) and escalates to R58.8 million by 2018/19 (48 per cent). Internally generated funding totalling R45.2 million, R69.5 million and R63.6 million for each of the respective financial years of the MTREF. These funding sources are further discussed in detail in paragraph 2.6 (Overview of Budget Funding).

Table 23 MBRR Table A6 -Budgeted Financial Position

## FS204 Metsimaholo - Table A6 Budgeted Financial Position

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>ASSETS</b>											
Current assets											
Cash		9,184	9,303	14,863	159	891	732		9,001	7,160	16,023
Call investment deposits		7,000	16,826	11,332	–	–	–	–	10,000	5,000	20,000
Consumer debtors		93,536	110,667	161,764	148,326	235,916	235,916	–	252,940	267,681	280,838
Other debtors		19,202	12,792	26,657	15,000	32,544	32,544		40,000	44,000	49,000
Current portion of long-term receivables		5,612	15,218	5,886	16,200	–	–				
Inventory		20,959	16,067	8,701	20,000	9,115	9,115		8,000	7,200	8,000
<b>Total current assets</b>		<b>155,493</b>	<b>180,873</b>	<b>229,204</b>	<b>199,685</b>	<b>278,466</b>	<b>278,307</b>	<b>–</b>	<b>319,941</b>	<b>331,041</b>	<b>373,861</b>
Non current assets											
Long-term receivables		1,676									
Investments		–									
Investment property		77,881	87,339	86,415	87,313	86,415	86,415		86,415	86,415	86,415
Investment in Associate		–									
Property, plant and equipment		865,241	925,533	1,080,372	1,069,345	1,162,006	1,162,006	–	1,201,717	1,250,036	1,288,055
Agricultural		–									
Biological		–									
Intangible		189	480	445	395	445	445		445	445	445
Other non-current assets		–									
<b>Total non current assets</b>		<b>944,986</b>	<b>1,013,352</b>	<b>1,167,232</b>	<b>1,157,053</b>	<b>1,248,866</b>	<b>1,248,866</b>	<b>–</b>	<b>1,288,577</b>	<b>1,336,896</b>	<b>1,374,915</b>
<b>TOTAL ASSETS</b>		<b>1,100,479</b>	<b>1,194,225</b>	<b>1,396,436</b>	<b>1,356,738</b>	<b>1,527,332</b>	<b>1,527,173</b>	<b>–</b>	<b>1,608,518</b>	<b>1,667,937</b>	<b>1,748,776</b>
<b>LIABILITIES</b>											
Current liabilities											
Bank overdraft											
Borrowing		20,420	1,941	1,163	4,199	1,267	1,267	–	4,941	5,438	5,945
Consumer deposits		12,170	13,800	16,246	17,000	17,000	17,000		18,100	19,000	19,300
Trade and other payables		138,021	171,803	197,262	137,000	142,000	144,000	–	154,000	158,000	162,900
Provisions											
<b>Total current liabilities</b>		<b>170,611</b>	<b>187,544</b>	<b>214,671</b>	<b>158,199</b>	<b>160,267</b>	<b>162,267</b>	<b>–</b>	<b>177,041</b>	<b>182,438</b>	<b>188,145</b>
Non current liabilities											
Borrowing		8,017	6,947	5,784	18,498	21,333	21,333	–	13,718	7,783	1,331
Provisions		77,113	80,267	89,519	90,926	94,914	94,914	–	105,466	116,433	127,927
<b>Total non current liabilities</b>		<b>85,130</b>	<b>87,214</b>	<b>95,302</b>	<b>109,424</b>	<b>116,247</b>	<b>116,247</b>	<b>–</b>	<b>119,184</b>	<b>124,217</b>	<b>129,258</b>
<b>TOTAL LIABILITIES</b>		<b>255,741</b>	<b>274,758</b>	<b>309,973</b>	<b>267,623</b>	<b>276,514</b>	<b>278,514</b>	<b>–</b>	<b>296,225</b>	<b>306,654</b>	<b>317,403</b>
<b>NET ASSETS</b>		<b>844,738</b>	<b>919,467</b>	<b>1,086,463</b>	<b>1,089,115</b>	<b>1,250,818</b>	<b>1,248,659</b>	<b>–</b>	<b>1,312,294</b>	<b>1,361,282</b>	<b>1,431,373</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		844,738	919,467	1,086,463	1,089,115	1,250,818	1,248,659		1,312,294	1,361,282	1,431,373
Reserves		–	–	–	–	–	–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>844,738</b>	<b>919,467</b>	<b>1,086,463</b>	<b>1,089,115</b>	<b>1,250,818</b>	<b>1,248,659</b>	<b>–</b>	<b>1,312,294</b>	<b>1,361,282</b>	<b>1,431,373</b>

**Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understanding for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 52 is supported by an extensive table of notes (SA3 which can be found on page 194) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non-current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

**Table 24MBRRTable A7 - Budgeted Cash Flow Statement**

FS204 Metsimaholo - Table A7 Budgeted Cash Flows

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		95,390	85,289	87,779	91,279	88,752	88,752		98,629	105,197	114,406
Service charges		295,320	328,417	384,592	547,103	532,791	532,791		623,231	671,459	735,552
Other revenue		20,876	33,573	9,731	16,055	25,310	25,310		15,429	16,184	17,013
Government - operating		95,389	105,275	119,734	125,831	125,831	125,831		131,694	152,642	162,217
Government - capital		67,136	83,124	57,046	78,855	76,855	76,855		59,592	58,473	58,818
Interest		20,269	10,210	12,968	17,446	17,097	17,097		19,078	19,778	22,563
Dividends		–	78	88	–	–	–		–	–	–
Payments											
Suppliers and employees		(524,687)	(513,857)	(599,053)	(723,331)	(729,480)	(729,480)		(819,709)	(896,709)	(960,194)
Finance charges		(4,678)	(2,282)	(4,602)	(2,331)	(1,189)	(1,189)		(2,541)	(2,047)	(1,532)
Transfers and Grants		–	(32,193)	(23,528)	(37,745)	(31,662)	(31,662)		–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		65,016	97,635	44,755	113,162	104,305	104,305	–	125,402	124,978	148,842
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(79,066)		475	5,000	5,000	5,000		1,001	200	2,584
Decrease (Increase) in non-current debtors		3,251	3,807	8,394	–				–	–	–
Decrease (increase) other non-current receivables		–		–	–				–	–	–
Decrease (increase) in non-current investments		–		–	–				–	–	–
Payments											
Capital assets			(70,998)	(52,488)	(171,852)	(150,865)	(150,865)		(105,745)	(127,977)	(122,425)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(75,815)	(67,191)	(43,619)	(166,852)	(145,865)	(145,865)	–	(104,744)	(127,777)	(119,841)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans					–				–	–	–
Borrowing long term/refinancing		–	(12,517)		31,880	18,000	18,000		1,000	–	–
Increase (decrease) in consumer deposits		–	–	–	2,000	200	200		1,100	900	300
Payments											
Repayment of borrowing		12,307	(983)	(1,070)	(4,200)	(2,103)	(2,103)		(4,489)	(4,941)	(5,438)
NET CASH FROM/(USED) FINANCING ACTIVITIES		12,307	(13,500)	(1,070)	29,680	16,097	16,097	–	(2,389)	(4,041)	(5,138)
NET INCREASE/ (DECREASE) IN CASH HELD		1,508	16,945	66	(24,010)	(25,463)	(25,463)	–	18,269	(6,841)	23,863
Cash/cash equivalents at the year begin:		7,676	9,184	26,129	24,169	26,195	26,195		732	19,001	12,160
Cash/cash equivalents at the year end:		9,184	26,129	26,195	159	732	732	–	19,001	12,160	36,023

**Table 25 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

FS204 Metsimaholo - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end		9,184	26,129	26,195	159	732	732	–	19,001	12,160	36,023
Other current investments > 90 days		7,001	0	0	–	159	–	–	0	0	0
Non current assets - Investments		–	–	–	–	–	–	–	–	–	–
<b>Cash and investments available:</b>		<b>16,184</b>	<b>26,129</b>	<b>26,195</b>	<b>159</b>	<b>891</b>	<b>732</b>	<b>–</b>	<b>19,001</b>	<b>12,160</b>	<b>36,023</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		5,109	3,504	1,576	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements		–	–	–	–	–	–	–	–	–	–
Other working capital requirements		34,134	65,292	52,586	(3,388)	(94,315)	(94,315)	–	(105,596)	(117,717)	(132,824)
Other provisions		77,113	80,267	89,519	90,926	94,914	94,914	–	105,466	116,433	127,927
Long term investments committed		–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments		–	–	–	–	–	–	–	–	–	–
<b>Total Application of cash and investments:</b>		<b>116,356</b>	<b>149,063</b>	<b>143,681</b>	<b>87,538</b>	<b>599</b>	<b>599</b>	<b>–</b>	<b>(130)</b>	<b>(1,284)</b>	<b>(4,897)</b>
<b>Surplus(shortfall)</b>		<b>(100,172)</b>	<b>(122,934)</b>	<b>(117,486)</b>	<b>(87,379)</b>	<b>292</b>	<b>133</b>	<b>–</b>	<b>19,131</b>	<b>13,444</b>	<b>40,920</b>

### Explanatory notes to Table A7 - Budgeted Cash Flow Statement

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. As part of the 2015/16 mid-year review and Adjustments Budget the cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalization of spending priorities.

4. In addition the Municipality will undertake an extensive debt collection drive.
5. The 2016/17 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
6. Cash and cash equivalents totals a project favourable R19 million as at the end of the 2016/17 financial year and increase to a favourable cash and cash equivalents of R36 million by 2018/19.

#### **Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2012/13 to 2014/2015 the surplus (cash and cash equivalent) increase from R16.2 million to R26.1 million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2016/17 MTREF was funded owing to the significant surplus.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2016/17 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA. The budget is not funded for the 2017/18 financial year mainly to high capital expenditure from own funding.
8. As can be seen the budget has been modelled to progressively increase from a surplus of R19million in 2016/17 to a surplus of R36 million by 2018/19.
9. Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. During the 2010/11 financial year the municipality was required to supply National Treasury with a detailed analysis of the unspent grants as well as an action plan of spending the grants. For the 2011/12 financial year the unspent grant from Department of Energy of R7.1 million was deducted from the transfer of Equitable Share grant transfer in 2011/2012 and R3.5million was deducted in 2012/2013.

Table 26MBRRTable A9 - Asset Management

FS204 Metsimaholo - Table A9 Asset Management

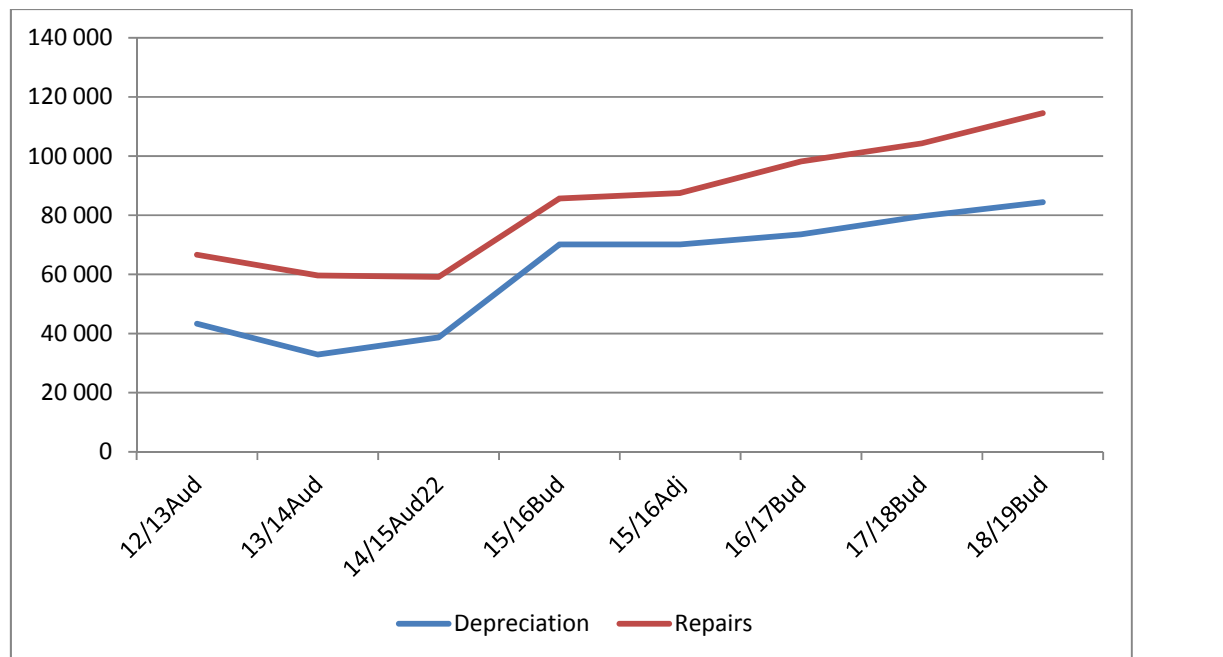
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>		78,113	70,910	188,267	183,832	151,718	151,718	95,770	100,165	87,883
Infrastructure - Road transport		10,042	1,408	2,461	37,560	28,137	28,137	32,818	17,070	3,331
Infrastructure - Electricity		7,289	23,873	7,037	53,419	35,880	35,880	25,600	19,559	21,280
Infrastructure - Water		20,712	6,873	5,254	5,825	5,565	5,565	1,765	9,500	-
Infrastructure - Sanitation		27,544	34,542	32,763	35,236	34,849	34,849	1,500	19,086	24,899
Infrastructure - Other		-	-	89	2,000	2,000	2,000	10,200	7,080	930
Infrastructure		65,588	66,696	47,604	134,039	106,431	106,431	71,883	72,296	50,441
Community		100	3,343	-	18,148	9,457	9,457	7,674	280	16,585
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		12,425	870	140,663	31,645	35,830	35,830	16,213	27,589	20,858
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>		-	-	-	2,020	-	-	17,476	27,812	34,542
Infrastructure - Road transport		-	-	-	-	-	-	12,000	10,000	18,000
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	12,000	10,000	18,000
Community	-	-	-	-	-	-	-	630	942	2,822
Heritage assets	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	2,020	-	-	4,846	16,870	13,720
Intangibles	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>										
Infrastructure - Road transport		10,042	1,408	2,461	37,560	28,137	28,137	44,818	27,070	21,331
Infrastructure - Electricity		7,289	23,873	7,037	53,419	35,880	35,880	25,600	19,559	21,280
Infrastructure - Water		20,712	6,873	5,254	5,825	5,565	5,565	1,765	9,500	-
Infrastructure - Sanitation		27,544	34,542	32,763	35,236	34,849	34,849	1,500	19,086	24,899
Infrastructure - Other		-	-	89	2,000	2,000	2,000	10,200	7,080	930
Infrastructure		65,588	66,696	47,604	134,039	106,431	106,431	83,883	82,296	68,441
Community		100	3,343	-	18,148	9,457	9,457	8,304	1,222	19,407
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		12,425	870	140,663	33,665	35,830	35,830	21,059	44,459	34,578
Intangibles		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		78,113	70,910	188,267	185,852	151,718	151,718	113,246	127,977	122,425
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>										
Infrastructure - Road transport		248,241	235,678	218,585	241,802	234,302	234,302	251,644	249,779	241,072
Infrastructure - Electricity		121,218	131,120	140,145	169,905	155,905	155,905	172,056	180,463	189,667
Infrastructure - Water		172,343	179,216	170,585	181,142	181,142	181,142	174,311	174,869	165,927
Infrastructure - Sanitation		133,095	161,098	194,476	221,099	221,099	221,099	216,123	228,077	245,008
Infrastructure - Other		3,673	3,673	3,619	5,081	5,081	5,081	14,417	20,164	19,487

Infrastructure		678,570	710,785	727,409	819,029	797,529	797,529	828,551	853,352	861,161
Community		–	2,233	–	15,171	5,171	5,171	8,090	2,960	14,836
Heritage assets		561	561	561	561	561	561	561	561	561
Investment properties		77,881	87,339	86,415	87,313	86,415	86,415	86,415	86,415	86,415
Other assets		186,110	211,954	352,402	234,584	358,745	358,745	364,515	393,163	411,497
Intangibles		189	480	445	395	445	445	445	445	445
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>		<b>943,311</b>	<b>1,013,352</b>	<b>1,167,232</b>	<b>1,157,053</b>	<b>1,248,866</b>	<b>1,248,866</b>	<b>1,288,577</b>	<b>1,336,896</b>	<b>1,374,915</b>
<b>EXPENDITURE OTHER ITEMS</b>										
<u>Depreciation &amp; asset impairment</u>		43,309	32,238	38,692	70,084	70,084	70,084	73,535	79,658	84,406
<u>Repairs and Maintenance by Asset Class</u>		66,638	59,567	59,123	85,672	87,526	87,526	98,214	104,320	114,543
Infrastructure - Road transport		19,665	14,602	11,736	27,748	28,297	28,297	29,970	31,823	33,741
Infrastructure - Electricity		14,553	13,318	14,054	16,698	17,253	17,253	17,620	18,824	20,094
Infrastructure - Water		11,383	10,669	8,533	14,217	14,271	14,271	16,070	17,183	18,325
Infrastructure - Sanitation		8,871	10,227	16,455	11,369	11,634	11,634	13,250	14,168	15,263
Infrastructure - Other		4,873	4,948	2,991	5,695	5,546	5,546	6,062	6,499	6,947
Infrastructure		59,345	53,764	53,769	75,727	77,001	77,001	82,973	88,497	94,370
Community		1,105	194	83	669	384	384	782	781	813
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	6,187	5,609	5,271	9,276	10,141	10,141	14,459	15,041	19,360
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>109,947</b>	<b>91,805</b>	<b>97,815</b>	<b>155,756</b>	<b>157,609</b>	<b>157,609</b>	<b>171,750</b>	<b>183,977</b>	<b>198,949</b>
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	1.1%	0.0%	0.0%	15.4%	21.7%	28.2%
<i>Renewal of Existing Assets as % of deprecn"</i>		0.0%	0.0%	0.0%	2.9%	0.0%	0.0%	23.8%	34.9%	40.9%
<i>R&amp;M as a % of PPE</i>		7.7%	6.4%	5.5%	8.0%	7.5%	7.5%	8.2%	8.3%	8.9%
<i>Renewal and R&amp;M as a % of PPE</i>		7.0%	6.0%	5.0%	8.0%	7.0%	7.0%	9.0%	10.0%	11.0%

### Explanatory notes to Table A9 - Asset Management

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
- National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The requirements on repair and maintenance are met when the employee related cost is added to materials, 2016/17 8.2 per cent, 2017/18 8.3 per cent and 2018/19 8.9 per cent.
- The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.





**Figure 4 Depreciation in relation to repairs and maintenance over the MTREF**

Table 27 MBRR Table A10 - Basic Service Delivery Measurement

FS204 Metsimaholo - Table A10

Basic service delivery  
measurement

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Household service targets</b>										
<u>Water:</u>										
Piped water inside dwelling		25,000	25,000	27,000	27,000	27,000	27,000	37,096	41,046	50,546
Piped water inside yard (but not in dwelling)		2,000	2,000	27,000	-	-	-	-	-	-
Using public tap (at least min.service level)		-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		27,000	27,000	54,000	27,000	27,000	27,000	37,096	41,046	50,546
Using public tap (< min.service level)		2,000	3,424	887	7,670	8,000	8,000	-	-	-
Other water supply (< min.service level)		-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		2,000	3,424	887	7,670	8,000	8,000	-	-	-
<b>Total number of households</b>		29,000	30,424	54,887	34,670	35,000	35,000	37,096	41,046	50,546
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)		19,000	19,000	19,000	19,368	19,368	19,368	33,368	37,318	46,818
Flush toilet (with septic tank)		1,000	1,000	1,000	1,000	1,000	1,000	3,617	3,617	3,617
Chemical toilet		6,000	6,000	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		26,000	26,000	20,000	20,368	20,368	20,368	36,985	40,935	50,435
Bucket toilet		2,000	2,383	2,025	1,657	1,657	1,657	-	-	-
Other toilet provisions (< min.service level)		-	9,769	6,512	12,645	12,645	12,645	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		2,000	12,152	8,537	14,302	14,302	14,302	-	-	-
<b>Total number of households</b>		28,000	38,152	28,537	34,670	34,670	34,670	36,985	40,935	50,435
<u>Energy:</u>										
Electricity (at least min.service level)		6,000	7,000	7,000	1,500	1,500	1,500	-	-	-
Electricity - prepaid (min.service level)		28,000	34,500	34,850	35,000	35,000	35,000	38,133	38,133	40,670
<i>Minimum Service Level and Above sub-total</i>		34,000	41,500	41,850	36,500	36,500	36,500	38,133	38,133	40,670
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>		34,000	41,500	41,850	36,500	36,500	36,500	38,133	38,133	40,670
<u>Refuse:</u>										
Removed at least once a week		45,000	49,000	52,000	52,000	52,000	52,000	53,000	54,000	55,000
<i>Minimum Service Level and Above sub-total</i>		45,000	49,000	52,000	52,000	52,000	52,000	53,000	54,000	55,000
Removed less frequently than once a week		10,000	10,000	10,000	10,000	-	-	-	-	-
Using communal refuse dump		10,000	49,000	52,000	52,000	52,000	52,000	53,000	54,000	55,000
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		10,000	10,000	10,000	10,000	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		30,000	69,000	72,000	72,000	52,000	52,000	53,000	54,000	55,000
<b>Total number of households</b>		75,000	118,000	124,000	124,000	104,000	104,000	106,000	108,000	110,000

<b>Households receiving Free Basic Service</b>										
Water (6 kilolitres per household per month)		11,734	11,576	7,246	10,000	10,000	10,000	14,000	14,000	14,000
Sanitation (free minimum level service)		8,125	7,939	7,246	10,000	10,000	10,000	14,000	14,000	14,000
Electricity/other energy (50kwh per household per month)		11,734	11,576	7,246	10,000	10,000	10,000	14,000	14,000	14,000
Refuse (removed at least once a week)		11,734	11,576	7,246	10,000	10,000	–	14,000	14,000	14,000
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)		15,123	15,560	8,510	12,936	12,936	12,936	12,049	12,796	13,551
Sanitation (free sanitation service to indigent households)		6,141	6,464	4,945	6,332	5,758	5,758	10,689	11,352	12,022
Electricity/other energy (50kwh per indigent household per month)		4,647	4,859	3,926	5,150	3,030	3,030	10,808	11,889	13,078
Refuse (removed once a week for indigent households)		11,445	12,217	8,286	12,329	8,940	8,940	18,641	19,797	20,965
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		–	–	–	–	–	–	–	–	–
<b>Total cost of FBS provided</b>		<b>37,355</b>	<b>39,099</b>	<b>25,668</b>	<b>36,747</b>	<b>30,664</b>	<b>30,664</b>	<b>52,187</b>	<b>55,834</b>	<b>59,615</b>
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Water (kilolitres per household per month)		10	10	10	10	10	10	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		68	73	79	85	85	85	92	97	103
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		82	88	95	103	103	103	111	118	125
<b>Revenue cost of subsidised services provided (R'000)</b>										
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		8,448	8,991	9,638	11,071	11,657	11,657	12,513	13,289	14,073
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		8,448	18,998	15,329	11,071	19,457	19,457	20,913	21,689	22,473
Water (in excess of 6 kilolitres per indigent household per month)		11,967	13,176	15,886	8,860	9,979	9,979	9,302	9,879	10,461
Sanitation (in excess of free sanitation service to indigent households)		1,177	1,622	1,914	1,721	1,721	1,721	1,630	1,731	1,833
Electricity/other energy (in excess of 50 kwh per indigent household per month)		8,468	10,373	4,452	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other		9,644	10,007	5,691	7,800	7,800	7,800	8,400	8,400	8,400
<b>Total revenue cost of subsidised services provided</b>		<b>48,152</b>	<b>63,167</b>	<b>52,910</b>	<b>40,524</b>	<b>50,614</b>	<b>50,614</b>	<b>52,758</b>	<b>54,988</b>	<b>57,241</b>

**Explanatory notes to Table A10 - Basic Service Delivery Measurement**

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs:
  - a. Water services – in process to contrasted a water reservoir.
  - b. Sanitation services – backlog will be partially reduced in 2016/17
  - c. Electricity services – the municipality is in process to build a new substation and the backlog will be reduced after the completion of the substation.
3. Refuse services – additional refuse removal trucks will assist in delivering more efficient and extended services
4. The budget provides for a total 14 000 households to be registered as indigent in 2016/17, and therefore entitled to receive Free Basic Services. The number is set to increase given the rapid rate of in-migration to the Municipality, especially by poor people seeking economic opportunities.
5. It is anticipated that Free Basic Services to indigent will cost the municipality R52.2 million in 2016/17 and it increases to R59.6 million in 2018/19. This is covered by the municipality's equitable share allocation from national government.
6. **The forgone income on Rates for valuation less than R35 000 that all households receives is R12 million.**

## Part 2 – Supporting Documentation

### 2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

#### 2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2015) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 28 August 2015. Attached as Annexure B on page\_\_\_\_ the time table for IDP and Budget process. Key dates applicable to the process were:

- **October and November 2015** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **January and February 2016** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations ;
- **February 2016** –Multi-year budget proposals are submitted to the Portfolio Committee for endorsement;
- **January 2016** - Council considers the 2015/16 Mid-year Review and Adjustments Budget;
- **March 2016** - Recommendations are communicated to the respective departments.
- **19 March 2016**- Recommendations are communicated to Informal Council Meeting, and on to the respective departments. The draft 2015/16MTREF is revised accordingly;
- **31 March 2016** - Tabling in Council of the draft 2016/17 IDP and 2016/17 MTREF for public consultation;
- **April 2016** – Public consultation
- **12 May 2016** - Closing date for written comments;
- **1 to 15 May 2016**– finalisation of the 2016/17 IDP and 2016/17 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework;
- **19 May 2016**- Informal Council meeting, and
- **31 May 2016** - Tabling of the 2016/17 MTREF before Council for consideration and approval.

There were deviations from the key dates set out in the Budget Time Schedule tabled in Council.

### **2.1.2 IDP and Service Delivery and Budget Implementation Plan**

The Council of the Metsimaholo Local Municipality (MLM) adopted a five-year Integrated Development Plan (IDP) covering the period 2012/13 to 2016/17 in June 2012. The 2016/17 IDP therefore represents the final annual review of the adopted five-year IDP.

The principal legislation in so far as the development of IDP is concerned is the Municipal Systems Act 32 of 2000. Section 25 of the Act mandates each municipal council to adopt a single, inclusive and strategic plan for the development of the municipality. As a strategic plan of the municipality, the IDP should therefore provide a clear road map for the municipality that would take it from the current situation to its desired state in five years. To this effect, the IDP must:

- Link, integrate and coordinate plans and take into account proposals for the development of the municipality.
- Align the resources and capacity of the municipality with the implementation for the plan.
- Form the policy framework and general basis on which annual budgets must be based.
- Be compatible with national and provincial development plans and planning requirements that are binding on the municipality in terms of legislation.

Integrated development planning and the product of this process, the IDP is a constitutional and legal process required of municipalities. Planning in general and the IDP in particular, is a critically important management tool to help transformation, growth and development at local government level. It is an approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development,

The contents of the first review have been aligned to the Revised IDP Framework for Municipalities outside Metros and Secondary Cities, issued by the Department of Cooperative Governance and Traditional Affairs (CoGTA) in June 2012. It further includes the data from Census 2011 and revised service delivery targets for 2015/16, where appropriate.

### **2.1.3 Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2016/17 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2016/17 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2015/16 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels

- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51, 51, 58, 64, 66, 67, 70, 72, 74, 75, 78 and 79 has been taken into consideration in the planning and prioritisation process.

#### **2.1.4 Community Consultation**

The draft 2016/17 MTREF as tabled before Council on 31 March 2016 for community consultation will be published on the municipality's website, and hard copies were made available at municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) will be provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

The following table provides a clear illustration of the types of consultations, stakeholders involved, dates on which the various consultations took place and the respective venues.



P O Box 60

SASOLBURG

1947

#### **DRAFT BUDGET and IDP: PUBLIC MEETINGS**

Notice is hereby given in terms of Section 16 read with Section 17 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) and Section 22 and 23 of the Local Government: Municipal Finance Management Act, (Act No. 56 of 2003) that the Metsimaholo Local Municipality invites members of the public and stakeholders to participate in the Public meetings as indicated below for the 2016/2017 Draft Budget and IDP.

The documents will be available for perusal and public comment from 1 April 2016 to 29 April 2016

And

Notice is hereby given in terms of Section 21 of the Municipal Systems Act, 32 of 2000 and Section 22(2) of the Municipal Finance Management Act, 56 of 2003 that the amended IDP

for 2014– 2015 has been tabled and be available from 1 April 2016 to 29 April 2016.

Copies of the IDP documents and draft Budget are available for inspection on the municipality's web-site ([www.metsimaholo.gov.za](http://www.metsimaholo.gov.za)) and in all public libraries within Metsimaholo Local Municipality from 1 April 2016 to 29 April 2016. All comments and inputs on IDP as well as draft Budget should be submitted in writing in the relevant comment boxes provided at the libraries or may be sent by e-mail to the following e-mail address [sello.mokoena@metsimaholo.gov.za](mailto:sello.mokoena@metsimaholo.gov.za) (IDP) or [amanda.vorster@metsimaholo.gov.za](mailto:amanda.vorster@metsimaholo.gov.za).

Any person, who cannot write, may come during office hours to a place where a staff member of the municipality named in the invitation, will assist that person to transcribe that person's comments or representations.

Enquiries:

For IDP Comments must be made to Sello Mokoena (IDP Manager), (016) 973 8348

For Budget Comments must be made to Amanda Vorster (Budget Manager), 016 973 8377

<b>Week 1</b>	<b>Ward</b>	<b>Date</b>	<b>Venue</b>	<b>Time</b>
<b>Zamdela</b>	<b>1 &amp; 13</b>	<b>11 April 2016 (Monday)</b>	<b>Sakubutjha Secondary School</b>	<b>17h00</b>
<b>Sasolburg</b>	<b>15,16, &amp; 17</b>	<b>12 April 2016 (Tuesday)</b>	<b>Council Foyer Civic Centre- Sasolburg</b>	<b>18h00</b>
<b>Vaal park</b>	<b>14 &amp; 18</b>	<b>13 April 2016 (Wednesday)</b>	<b>Vaal park Primary School</b>	<b>18h00</b>
<b>Oranjeville</b>	<b>5</b>	<b>19 April 2016 (Tuesday)</b>	<b>Oranjeville Library</b>	<b>14h00</b>
<b>Week 2</b>	<b>Ward</b>	<b>Date</b>	<b>Venue</b>	<b>Time</b>
<b>Deneysville</b>	<b>5,20</b>	<b>18 April 2016 (Monday)</b>	<b>Deneysville Primary School</b>	<b>18h00</b>



<b>Metsimaholo Township</b>	<b>5</b>	<b>19 April 2016 (Tuesday)</b>	<b>Metsimaholo Hall</b>	<b>17h00</b>
<b>Refengkgotso</b>	<b>3,4 &amp; 20</b>	<b>20 April 2016 (Wednesday)</b>	<b>Refengkgotso Community Hall</b>	<b>17h00</b>
<b>Zamdela</b>	<b>8,9&amp;10,</b>	<b>21 April 2016 (Thursday)</b>	<b>Iketsetseng High School</b>	<b>17h00</b>
<b>Week 3</b>	<b>Ward</b>	<b>Date</b>	<b>Venue</b>	<b>Time</b>
<b>Zamdela</b>	<b>1,2, &amp; 7</b>	<b>3 May 2016 (Tuesday)</b>	<b>Lehutso Primary School</b>	<b>17h00</b>
<b>Zamdela</b>	<b>6,13,19 &amp; 21</b>	<b>4 May 2016 (Wednesday)</b>	<b>Harry Gwala Multi-Purpose Centre</b>	<b>17h00</b>
<b>Zamdela</b>	<b>11 &amp; 12</b>	<b>5 May 2016 (Thursday)</b>	<b>Zamdela Hall</b>	<b>17h00</b>

**S M Molala**  
**MUNICIPAL MANAGER**  
 April 2016  
 (Notice No.09/2016)

**New dates were scheduled for Ward 1 and Ward 13.**

	<b>Ward</b>	<b>Date</b>	<b>Venue</b>	<b>Time</b>
<b>Zamdela</b>	<b>1</b>	<b>25 April 2016 (Monday)</b>	<b>Kopanelang Thuto Primary School</b>	<b>17h00</b>
<b>Zamdela</b>	<b>13</b>	<b>26 April 2016 (Tuesday)</b>	<b>Sakubutjha Secondary School</b>	<b>17h00</b>

The documents were available for perusal and public comments from 1 April 2016 to 29 April 2016

The following are some of the issues and concerns raised as well as comments received during the consultation process:

- Sports complex – Refengkgotso
- Paving of streets in Refengkgotso, Zamdela and Metsimaholo
- Services to Themba Khubheka
- Need for free electricity (50kWh that was previously issued to the community)
- Water leakages - Water losses
- Condition of streets need attention
- Taxi rank at Refengkgotso, Sasolburg, Vaalpark
- Fencing and toilets (Cemetery)
- Job creation : Unemployment rate-high
- Need for stands and RDP houses
- Need for clinic at Vaal-Park
- Tariffs are too high
- No budget for youth (skills development)
- Tariff for basic water and basic electricity  
Introduced this year at R20 (low)
- Basic tariffs charged on vacant stands  
Explained - they have access to services
- Sewer charges for suction tank services are too high. No increase this year
- High mast lights – Tender awarded
- Ward meetings for feedback are lacking

## 2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realised through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed

at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this IDP compilation process was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- National Development Plan (Vision 2030);
- The New Growth Path (2010);
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (PGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans, legislation and policy;
- National Key Performance Indicators (NKGIs);
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.
- Batho Pele Principles

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2015/16 MTREF and further planning refinements that have directly informed the compilation of the budget:

In order to ensure integrated and focused service delivery between all spheres of government it was important for the municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

The municipality has through its strategic planning and public participation processes ensured that the Municipal Strategic Priorities were unpacked by developing key performance areas (KPAs), programmes, objectives, key performance indicators (KPIs) and targets for each of the KPAs and programmes.

The said objectives, indicators and targets have been aligned to the Provincial Priority Outputs, where possible and will form the basis for the development of the municipality's Service Delivery and Budget Implementation Plan (SDBIP) and Annual Performance Plans of Senior Management for the 2015/16 financial year.

The table below provides a summary of the strategic priorities, KPA and programmes.

**Table 28: Municipal Strategic Priorities**

Strategic Priority	Key Performance Area	Programmes
SP1: Build our local economy to create more employment, decent work and sustainable livelihoods	KPA2: Local Economic Development	P8-Local Economic Development P9-Job Creation P10-Sustainable livelihoods
SP2: Broaden access to and improve the quality of municipal services	KPA1: Service delivery and infrastructure development	P1-Water P2-Sanitation P3-Electricity P4-Roads and storm water P11-Waste management P12-Community facilities
SP3: Build united, non-racial, integrated and safer communities	KPA3: Community development and social cohesion	P13-Clean communities P14-Safe communities P15-Healthy communities P16-Arts and culture P17-Disaster management

Strategic Priority	Key Performance Area	Programmes
	KPA1: Service delivery and infrastructure development	P5-Human settlements P6-Spatial development P7-Public transport
SP4: Promote active community participation	KPA4: Public participation and Good governance	P18-Participatory governance
SP5: Ensure more effective, accountable and clean local government that works together with national and provincial government	KPA4: Public participation and Good governance  KPA5: Financial management and viability  KPA6: Institutional development and Transformation	P19-Corporate governance P20-Intergovernmental Relations P21-Customer care  P22-Revenue and cash flow management P23-SCM and Expenditure management P24-Budgeting and reporting P25-Clean Audit P26-Asset management P27-Facilities management  P28-Human capital P29-Institutional excellence

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by

the municipality by identifying the key performance areas to achieve the five the strategic priorities mentioned above.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The table below provides a summary of the strategic priorities, KPA and programmes.

**Table 28: Municipal Strategic Priorities**

Strategic Priority	Key Performance Area	Programmes
SP1: Build our local economy to create more employment, decent work and sustainable livelihoods	KPA2: Local Economic Development	P8-Local Economic Development P9-Job Creation P10-Sustainable livelihoods
SP2: Broaden access to and improve the quality of municipal services	KPA1: Service delivery and infrastructure development	P1-Water P2-Sanitation P3-Electricity P4-Roads and storm water P11-Waste management P12-Community facilities
SP3: Build united, non-racial, integrated and safer communities	KPA3: Community development and social cohesion	P13-Clean communities P14-Safe communities P15-Healthy communities P16-Arts and culture P17-Disaster management

Strategic Priority	Key Performance Area	Programmes
	KPA1: Service delivery and infrastructure development	P5-Human settlements P6-Spatial development P7-Public transport
SP4: Promote active community participation	KPA4: Public participation and Good governance	P18-Participatory governance
SP5: Ensure more effective, accountable and clean local government that works together with national and provincial government	KPA4: Public participation and Good governance  KPA5: Financial management and viability  KPA6: Institutional development and Transformation	P19-Corporate governance P20-Intergovernmental Relations P21-Customer care  P22-Revenue and cash flow management P23-SCM and Expenditure management P24-Budgeting and reporting P25-Clean Audit P26-Asset management P27-Facilities management  P28-Human capital P29-Institutional excellence

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the municipality by identifying the key performance areas to achieve the five the strategic priorities mentioned above.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2016/17 MTREF has therefore been directly informed by the IDP compilation process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 29MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

FS204 Metsimaholo - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Budget (Revenue)												
Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand												
Good governance and community participation	Corporate and democratic governance			–	–	–	–	–	–	–	–	–
Good governance and community participation	Institutional and capacity development			2,372	7,408	2,672	1,958	1,978	1,978	3,731	2,884	3,010
Financial viability and financial management	Financial liquidity and viability			34,118	132,889	195,368	159,199	139,461	139,461	136,445	132,700	183,385
Transformation and institutional development	Institutional and capacity development			513	362	970	398	618	618	1,678	1,764	1,855
Community development and social cohesion	Refuse removal			52,073	44,509	47,702	51,933	48,545	48,545	50,687	57,355	55,858
Community development and social cohesion	Safety and security			12,508	16,282	23,372	6,519	5,519	5,519	3,602	3,796	4,001
Community development and social cohesion	Sports, recreation and community facilities			3,429	4,120	1,190	11,230	10,569	10,569	29,172	40,868	25,187
Community development and social cohesion	Cemeteries			270	295	305	212	432	432	498	6,051	985
Community development and social cohesion	Education			148	661	1,839	2,181	2,182	2,182	2,202	2,212	2,223
Basic service delivery and infrastructure investment	Electricity provision			239,270	255,413	238,378	308,850	307,590	307,590	346,878	385,857	408,084



Basic service delivery and infrastructure investment	Road and storm water			1,320	36	–	302	302	302	40,318	17,070	3,331
Basic service delivery and infrastructure investment	Sanitation provision			73,114	36,230	29,162	66,733	66,303	66,303	34,958	48,393	64,140
Basic service delivery and infrastructure investment	Water provision			212,289	230,278	287,524	354,055	352,055	352,055	390,284	414,392	438,238
Basic service delivery and infrastructure investment	Housing			12,415	3,825	138,242	8,700	8,700	8,700	5,001	6,201	6,901
Basic service delivery and infrastructure investment	Land availability			530	404	534	680	735	735	745	785	825
Local economic development and poverty alleviation	Local economic development			3,000	502	–	100	100	100	1,200	1,365	1,433
Allocations to other priorities												
Total Revenue (excluding capital transfers and contributions)				647,369	733,214	967,258	973,050	945,089	945,089	1,047,398	1,121,695	1,199,455

**Table 30MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

FS204 Metsimaholo - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Expenditure

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand												
Good governance and community participation	Corporate and democratic governance			27,907	30,353	33,535	39,800	40,425	40,425	38,464	41,122	43,780
Good governance and community participation	Institutional and capacity development			5,675	26,448	78,643	49,043	39,717	39,717	52,727	58,070	61,662
Financial viability and financial management	Financial liquidity and viability			11,531	28,298	93,925	39,554	13,027	13,027	50,749	52,027	51,930
Transformation and institutional development	Institutional and capacity development			13,413	11,637	14,683	16,192	25,022	25,022	29,489	31,967	33,582
Community development and social cohesion	Refuse removal			42,790	45,837	40,841	60,009	62,643	62,643	58,172	61,614	64,376
Community development and social cohesion	Safety and security			21,340	20,894	20,569	24,621	24,928	24,928	27,252	29,569	34,596

Community development and social cohesion	Sports, recreation and community facilities		14,765	28,749	26,457	38,587	23,979	23,979	22,018	21,558	27,598
Community development and social cohesion	Cemeteries		1,659	1,649	372	724	702	702	1,940	2,044	2,181
Community development and social cohesion	Education		4,916	5,255	5,228	6,055	6,019	6,019	7,148	7,680	8,091
Basic service delivery and infrastructure investment	Electricity provision		207,570	225,155	244,597	284,615	288,308	288,308	308,255	348,421	364,881
Basic service delivery and infrastructure investment	Road and storm water		61,377	2,976	32,625	52,488	52,243	52,243	59,539	62,906	65,823
Basic service delivery and infrastructure investment	Sanitation provision		39,906	48,163	41,132	54,493	54,192	54,192	51,099	54,632	58,429
Basic service delivery and infrastructure investment	Water provision		178,441	196,538	162,159	243,471	263,694	263,694	267,913	286,869	302,406
Basic service delivery and infrastructure investment	Housing		9,834	9,569	14,185	13,118	10,868	10,868	13,614	14,424	15,193
Basic service delivery and infrastructure investment	Land availability		3,954	3,331	3,897	5,274	5,568	5,568	5,630	6,007	6,189
Local economic development and poverty alleviation	Local economic development		1,569	1,269	2,089	3,929	3,738	3,738	4,827	5,777	6,486
Allocations to other priorities											
Total Expenditure			646,647	686,121	814,937	931,973	915,072	915,072	998,836	1,084,688	1,147,202

**Table 31MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

FS204 Metsimaholo - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand												
Good governance and community participation	Corporate and democratic governance	A		106	152	–	–	–	–	–	–	–
Good governance and community participation	Institutional and capacity development	B		1,024	3,000	737	5,035	5,035	5,035	5,683	2,896	2,955
Financial viability and financial management	Financial liquidity and viability	C		215	375	–	240	661	661	665	2,800	3,500
Transformation and institutional development	Institutional and capacity development	D		8,313	42	28	1,150	1,000	1,000	1,250	300	1,000
Community development and social cohesion	Refuse removal	E		1,904	–	3,610	6,000	4,722	4,722	1,575	9,390	5,470
Community development and social cohesion	Safety and security	F		102	–	–	16,960	9,775	9,775	875	6,733	4,490
Community development and social cohesion	Sports, recreation and community facilities	G		112	3,644	46	19,965	17,874	17,874	11,598	5,293	21,313
Community development and social cohesion	cemeteries	H		–	–	–	4,402	4,402	4,402	632	6,361	997
Community development and social cohesion	Education	I		–	–	–	61	57	57	42	228	10
Basic service delivery and infrastructure investment	Electricity provision	J		7,289	23,874	7,126	53,419	38,601	38,601	30,263	33,959	35,640
Basic service delivery and infrastructure investment	Road and storm water	K		10,042	1,408	7,126	37,560	28,436	28,436	53,713	28,220	21,951
Basic service delivery and infrastructure investment	Sanitation provision	L		27,544	31,542	28,561	35,236	35,283	35,283	2,196	19,666	25,099

Basic service delivery and infrastructure investment	Water provision	M		20,712	6,873	5,254	5,824	5,871	5,871	2,503	10,380	-
Basic service delivery and infrastructure investment	Housing	N		-	-	-	-	-	-	-	-	-
Basic service delivery and infrastructure investment	Land availability	O		750	-	135,779	-	-	-	-	-	-
Local economic development and poverty alleviation	Local economic development	P		-	-	-	-	-	-	2,250	1,750	-
Allocations to other priorities												
Total Capital Expenditure				78,113	70,910	188,267	185,852	151,718	151,718	113,245	127,977	122,426

## 2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance (*at this stage only for the municipal manager and managers reporting directly to the municipal manager*).

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

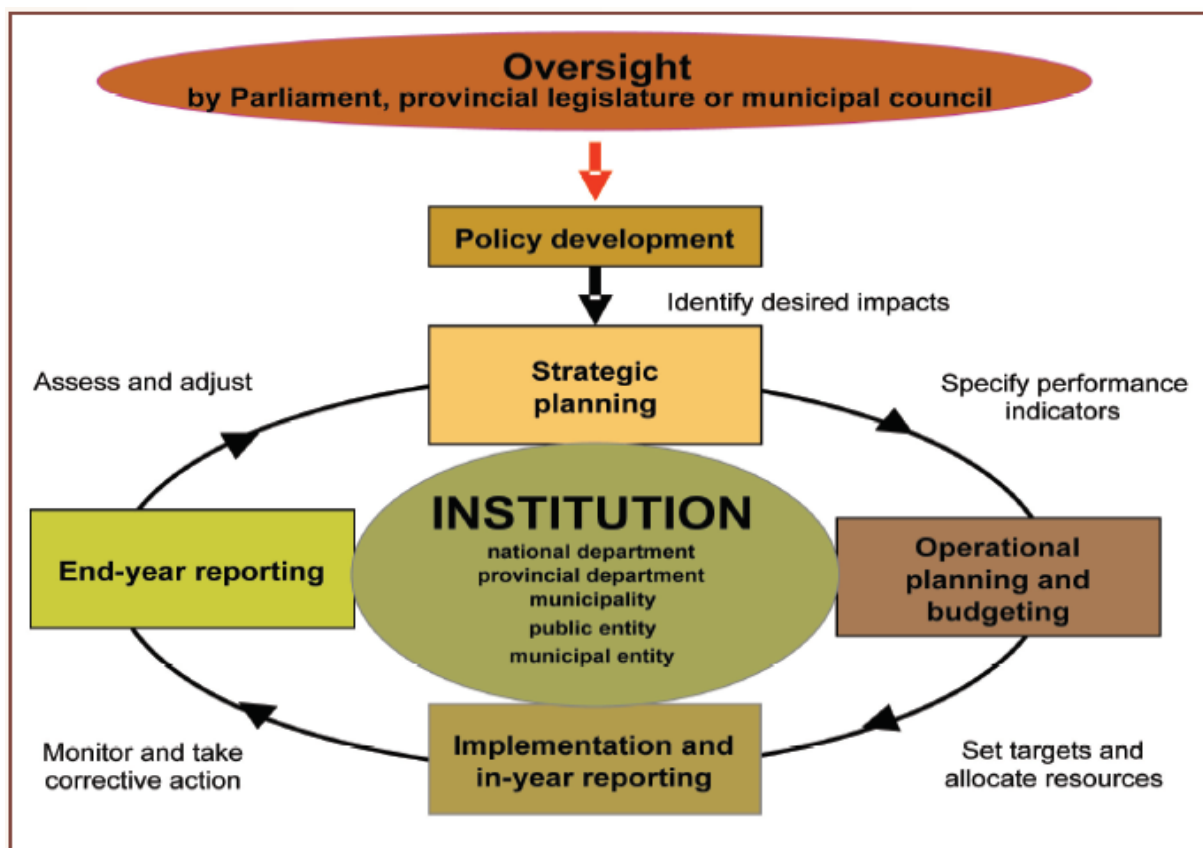


Figure 5 Planning, budgeting and reporting cycle

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system (framework) which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

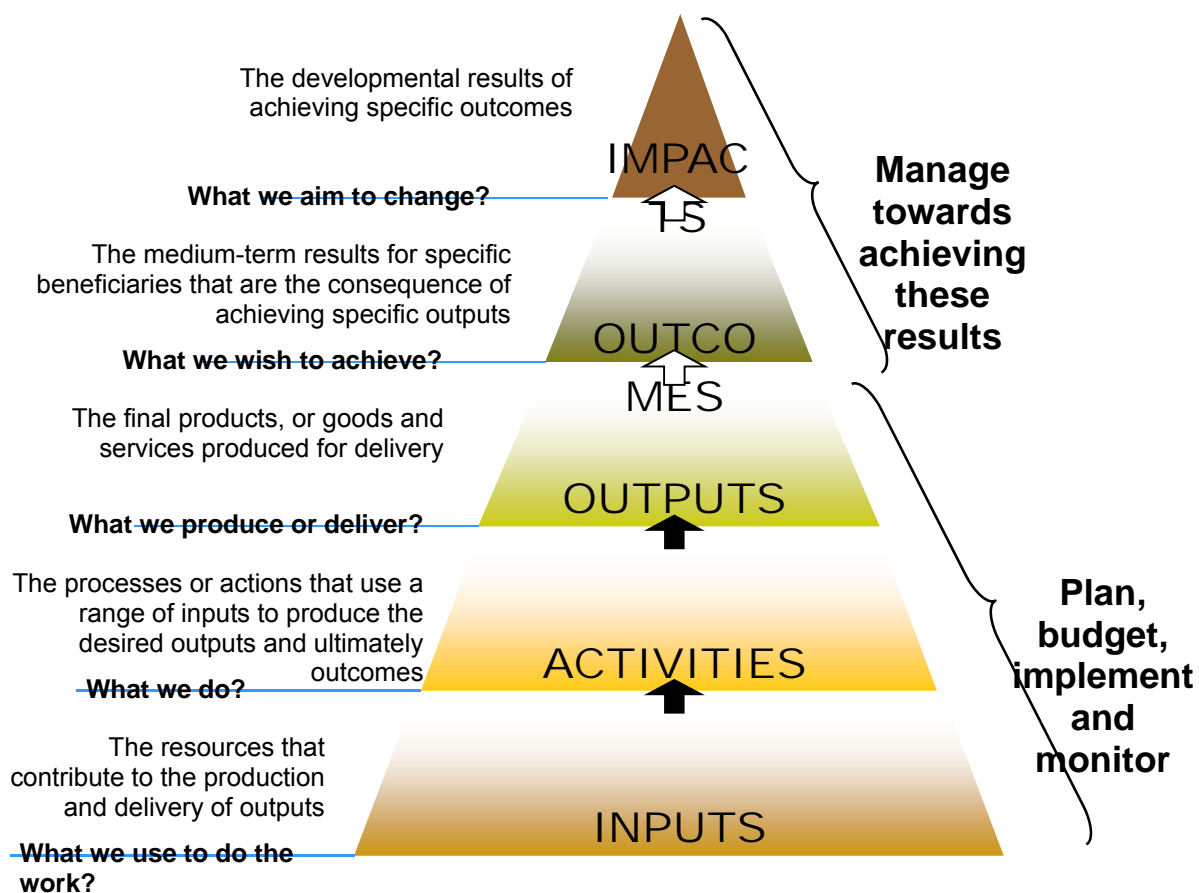


Figure 6 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve over the next five financial years

Table 32MBRR Table SA7 - Measurable performance objectives

**(Table be updated after MTREF be approved)**

FS204 Metsimaholo - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Basic Service delivery and infrastructure</b>										
Technical Services										
Water provision										
Access to potable water	Bulk water supply baseline	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Reservoir	Bulk water supply baseline	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Water										
Water household connections in yard	Formal	94,0%	94,0%	94,0%	94,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Water household communal standpipe	Informal	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Water										
Blue drop accreditation systems	Compliance	89,0%	10,0%	89,0%	10,0%	30,0%	30,0%	30,0%	30,0%	30,0%
Water leaks	Number	96,0%	25,0%	96,0%	25,0%	35,0%	35,0%	35,0%	35,0%	35,0%
Technical Services										
Sanitation										
Sewer network address backlog	17 January 1912	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Water borne system(decent)	Number of new	86,0%	93,0%	86,0%	93,0%	95,0%	95,0%	95,0%	95,0%	95,0%
Sanitation										
Maintenance	Maintenance plan	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Blockages	% blockages attend in 24	91,0%	93,0%	91,0%	93,0%	95,0%	95,0%	95,0%	95,0%	95,0%
Roads										
Roads and stormwater	% roads maintenance plan	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Basic service delivery and infrastructure										
Technical Services										
Roads										
Sufficient roads	Number of km roads	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Stormwater										
Sufficient storm water network	Km of storm water erected	100,0%	0,0%	100,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Roads and stormwater										
Improving accessibility of roads	Developed master plan	100,0%	0,0%	100,0%	0,0%	20,0%	20,0%	20,0%	20,0%	20,0%
Technical Services										
Electricity										
Access to electricity to all communities	No. of new connections	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%

<b>Electricity</b>										
<i>Access to electricity to all communities</i>	Develop master plan	100,0%	95,0%	100,0%	95,0%	95,0%	95,0%	95,0%	95,0%	95,0%
<b>Electricity</b>										
<i>Reduce distribution losses</i>	kwh units	8,0%	8,0%	8,0%	8,0%	8,0%	8,0%	8,0%	8,0%	8,0%
<b>Basic Service delivery and infrastructure</b>										
<b>LED</b>										
<b>Housing</b>										
<i>Housing allocations</i>	Nr beneficiaries	100,0%	0,0%	100,0%	0,0%	50,0%	50,0%	50,0%	50,0%	50,0%
<i>Subsidy applications processed</i>	2 months	100,0%	0,0%	100,0%	0,0%					
<b>Urban Planning</b>										
<i>Land availability</i>	Land secured per SDF	100,0%	0,0%	100,0%	0,0%	10,0%	10,0%	10,0%	10,0%	10,0%
<i>Effective land utilisation</i>	% rezoning, subdivision	100,0%		100,0%						
<b>LED and poverty alleviation</b>										
<i>Employment opportunities</i>	EPWP initiatives	70,0%		70,0%						
<i>Employment opportunities</i>	Other initiatives	100,0%		100,0%						
<b>Social Services</b>										
<b>Refuse removal</b>										
<i>Refuse removal</i>	Households	92,0%	92,0%	95,0%	98,0%	98,0%	98,0%	100,0%	100,0%	100,0%
<i>Waste management plan</i>	Compliance	50,0%	50,0%							
<b>Refuse removal</b>										
<i>New landfill site</i>	Legislation	30,0%	30,0%	35,0%	50,0%	50,0%	50,0%	50,0%	50,0%	50,0%
<i>Sufficient and well manage landfill sites</i>	Legislation	50,0%	50,0%	50,0%	50,0%	50,0%	50,0%	50,0%	50,0%	50,0%
<b>Sub-function 3 - (name)</b>										
<i>Promote clean and healthy environment</i>	Number awareness	80,0%								
<b>And so on for the rest of the Votes</b>										



The following table sets out the municipalities main performance objectives and benchmarks for the 2016/17 MTREF.

**Table 33MBRR Table SA8 - Performance indicators and benchmarks**

**2.3.1 Performance indicators and benchmarks**

FS204 Metsimaholo - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b><u>Borrowing Management</u></b>										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	-1.6%	0.5%	0.7%	0.7%	0.4%	0.4%	0.7%	0.6%	0.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	-2.1%	0.6%	0.9%	0.9%	0.4%	0.4%	0.8%	0.7%	0.7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	-403.7%	0.0%	35.6%	24.3%	24.3%	2.2%	0.0%	0.0%
<b><u>Safety of Capital</u></b>										
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>										
Current Ratio	Current assets/current liabilities	0.9	1.0	1.1	1.3	1.7	1.7	1.8	1.8	2.0
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.9	1.0	1.1	1.3	1.7	1.7	1.8	1.8	2.0
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.2
<b><u>Revenue Management</u></b>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		90.9%	84.3%	76.2%	87.9%	88.8%	0.0%	89.1%	89.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		90.9%	84.7%	77.7%	87.9%	88.8%	88.8%	89.1%	89.2%	90.9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	20.7%	21.3%	25.0%	20.1%	30.9%	30.9%	29.9%	29.3%	28.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old									
<b><u>Creditors Management</u></b>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	97.0%	99.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Creditors to Cash and Investments		1145.8%	173.4%	0.0%	86163.5 %	19398.9%	19398.9%	789.5%	1270.6 %	446.9%
<b><u>Other Indicators</u></b>										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	5.17%	11%	10	10	10	10	10	10	10

	Total Cost of Losses (Rand '000)	–	25,758	3,408	28,625	28,625	28,625	30,347	30,347	30,347
	% Volume (units purchased and generated less units sold)/units purchased and generated	11,314	25,008	26,942	21,523	21,523	21,523	0	0	0
Water Distribution Losses (2)	Total Volume Losses (kℓ)	1,315	1,035	4,933	3,859	3,859	3,859	3,132	3,132	3,132
	Total Cost of Losses (Rand '000)	7.10%	5.19%	21%	18%	18%	18%	10	10	10
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	10,204	48,881	47,159	47,159	47,159	46,738	46,738	46,738
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.3%	29.0%	22.5%	24.9%	26.1%	26.1%	25.4%	25.2%	25.2%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	32.6%	30.5%	24.2%	26.7%	27.8%	27.8%	27.1%	26.8%	26.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	11.5%	9.2%	7.6%	9.6%	10.1%	10.1%	10.0%	9.8%	10.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7.7%	5.3%	5.6%	8.1%	8.2%	8.2%	7.7%	7.7%	7.5%
<u>IDP regulation financial viability indicators</u>	–									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	43.1	38.9	30.7	40.0	40.0	40.0	34.3	32.5	34.9
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	26.1%	27.7%	32.2%	24.6%	38.1%	38.1%	35.9%	35.5%	35.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.3	1.9	–	0.0	0.0	0.0	0.3	0.2	0.5

### 2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Metsimaholo Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The Municipality has raised mainly amortising loans over the past five years, hence effectively 'front-loading' its debt service costs.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2016/17 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

### 2.3.1.2 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2015/16 MTREF the current ratio is 1.7 and 1.8 in the 2016/17 financial year and 1.8 and 2.0 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2015/16 financial year the ratio was 0.0 and increase in to 0.1 in the 2016/17 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

### 2.3.1.3 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework will be implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

### 2.3.1.4 Creditors Management

- The Municipality has managed to ensure that 90 per cent of creditors are settled within the legislated 30 days of invoice. By applying daily cash flow management the municipality has managed to ensure creditors can be paid.

### 2.3.1.5 Other Indicators

- The electricity distribution losses have changed to 8 per cent in the 2016/17 financial year the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.
- The water distribution losses have been changed from 18 per cent in 2015/16 to 15 per cent in 2016/17.
- Employee costs as a percentage of operating revenue stabilised over the MTREF.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also stabilising.

### **2.3.2 Free Basic Services: basic social services package for indigent households**

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, electricity and basic sewer, only registered indigents qualify for the free basic services.

For the 2016/17 financial year 14 000 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kl free water, basic water and electricity charges, 50 kWh of electricity, sanitation and free waste removal once a week, as well as a discount and additional up to maximum of R50.00 per month.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 110.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

### **2.3.3 Providing clean water and managing waste water**

The Municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. Approximately 71 per cent of the Municipality's bulk water needs are provided directly by Rand Water in the form of purified water. The remaining 29 per cent is generated from the Municipality's water treatment works in Deneysville and Oranjeville.

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

The Municipality were awarded 89.4% on the Blue Drop status, with the Municipality's drinking water quality being within the desired standards. The Metsimaholo Water Treatment Plant was awarded the best medium sized drinking water treatment works by the Department of Water Affairs. The municipality is awaiting the score of the latest assessment.

The 2 waste water treatment works will require renewals/upgrading to meet the minimum Green Drop certification standards. The Municipality received a 68.6% score on the 2013 audit and was amended for the vast improvement shown across all the systems. The municipality is awaiting the score of the latest assessment.

The following is briefly the main challenges facing the Municipality in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;

- Electrical power supply to some of the plants is often interrupted which hampers the purification processes; and
- There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.

The following are some of the steps that have been taken to address these challenges:

- Infrastructure shortcomings are being addressed through the capital budget in terms of a 5-year upgrade plan;
- The filling of vacancies has commenced and the Waste Water Division will embark on an in-house training programme and SETA programme, especially for operational personnel;
- The Electricity Division is to install dedicated power supply lines to the plants; and
- The Division is working in consultation with the Department of Water Affairs to address catchment management.

## **2.4 Overview of budget related-policies**

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

### **2.4.1 Budget Policy**

The policy has been reviewed and no changes to the policy

### **2.4.2 Property Rates Policy**

The policy was reviewed:

- Categories amended
- Rates Ratio included
- A report will be submitted in June 2016.

### **2.4.3 Credit control and debt collection Policy**

The policy was reviewed and no changes to the policy

### **2.4.4 Indigent Policy**

The policy was reviewed:

- Review indigent application every 3 years
- Free water decrease from 10kl to 6kl
- All basic charges be subsidised
- A report will be submitted in June 2016.

### **2.4.5 Virement Policy**

The policy was reviewed and no changes to the policy

**2.4.6 Asset Policy**

The policy was reviewed:

- Asset Management Policy amended item 15, 30 June 2015
- Council to review the '2015 Asset Management Policy' and to align it with the Municipal Asset Transfer Regulations gazetted on 22 August 2008 (Gazette No 31346) and the Councils decisions of 29 August 2013, items 4 and 5
- Report to be submitted to Council in June 2016

**2.4.7 Cash Management and Investment Policy**

The policy was reviewed and no changes to the policy

**2.4.8 Supply Chain Management Policy**

The policy will be reviewed.

**2.4.9 Tariff Policy**

The Municipality's tariff policy provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policy has been reviewed and tariffs amended accordingly.

**2.4.10 Bad debt written off**

The policy was approved in August 2015 and there are no changes to the policy.

**2.5 Overview of budget assumptions****2.5.1 External factors**

The global economic outlook has weakened and South Africa's economic performance has deteriorated over the past several years. It is expected that recovery from this deterioration will be slow and uneven, and that growth from 3.6 per cent in 2011 will be down to 1.4 per cent in 2014 and 3% projected in 2017.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

The macro environment that influences the budget:

- Fuel increase exceeds 6% on a year-to year basis
- Depreciation of the Rand
- High unemployment rate
- Loss of jobs in manufacturing and construction industry
- Interest rate movement

- Increase in fuel cost leads to increases in all other input costs
- Growth forecast are below actual achieved

### **2.5.2 General inflation outlook and its impact on the municipal activities**

There are five key factors that have been taken into consideration in the compilation of the 2016/17 MTREF:

- (a) National Government macro-economic targets;
- (b) The general inflationary outlook and the impact on Municipality's residents and businesses;
- (c) The impact of municipal cost drivers;
- (d) The increase in prices for bulk electricity and water; and
- (e) The increase in the cost of remuneration. Employee related costs comprise 25 per cent of total operating expenditure in the 2016/17 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. A new wage agreement must conclude between SALGBC and the municipal workers unions. The re-employment of previous dismissed staff is a factor that was taken into account.

### **2.5.3 Interest rates for borrowing and investment of funds**

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions.

### **2.5.4 Collection Rate for Revenue Services**

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (84 per cent) of annual billings. Cash flow is assumed to be 87 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

### **2.5.5 Growth or decline in tax base of the municipality**

Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' should limit consumption to the level of free basic services.

### **2.5.6 Salary increases**

The collective agreement regarding salaries/wages came into operation on 1 July 2015 and shall remain in force until 30 June 2018. Negotiations took place for collective agreement for the period commencing 1 July 2015. The provision for salary increases is 6.4% to be in line with the collective agreement reached.

### **2.5.7 Impact of national, provincial and local policies**

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

### **2.5.8 Ability of the municipality to spend and deliver on the programmes**

It is estimated that a spending rate of between 88 and 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2016/17 MTREF of which performance has been factored into the cash flow budget.



## 2.6 Overview of budget funding

### 2.6.1 Medium-term outlook: operating revenue

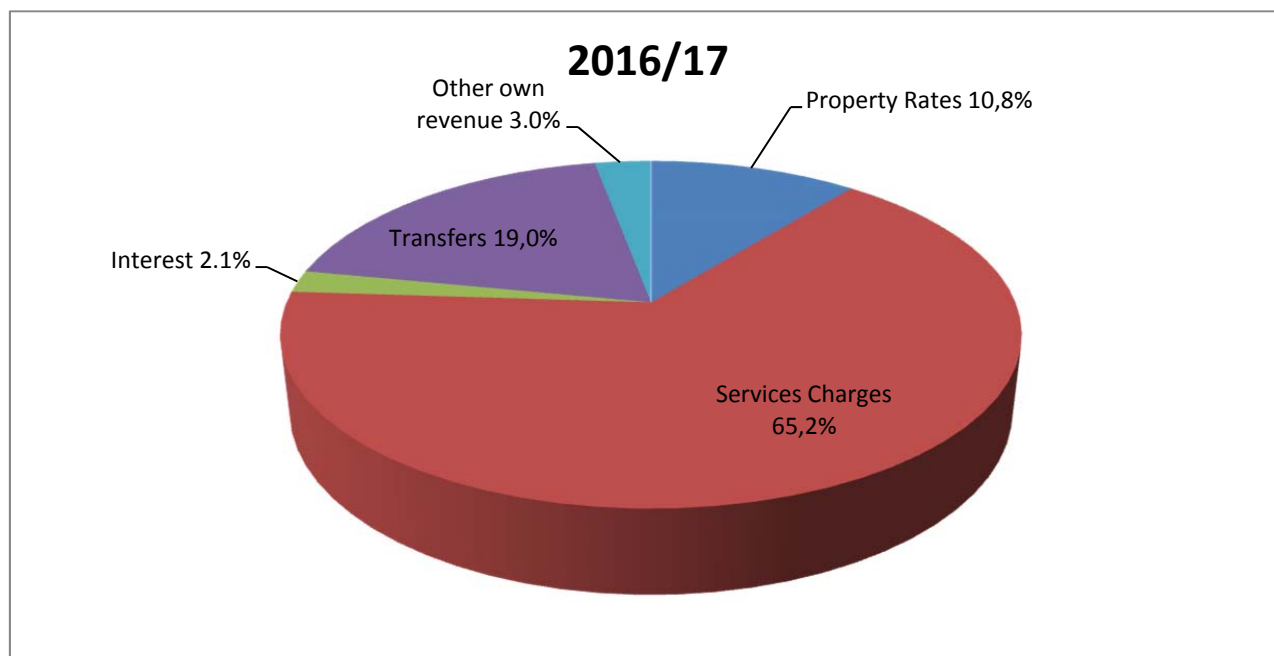
The following table is a breakdown of the operating revenue over the medium-term:

**Table 34 Breakdown of the operating revenue over the medium-term**

	Medium Term Revenue and Expenditure Framework					
	2016/2017		2017/2018		2018/2019	
	R'000	%	R'000	%	R'000	%
Property rates	113 366	10,82	120 916	10,78	128 546	10,72
Electricity	284 053	27,12	312 458	27,86	343 704	28,66
Water	349 547	33,37	371 219	33,09	393 121	32,77
Sanitation	21 545	2,06	22 880	2,04	24 230	2,02
Refuse removal	27 807	2,65	29 531	2,63	31 274	2,61
Interest	21 540	2,06	22 345	1,99	22 564	1,88
Transfers and Grants	198 786	18,98	211 115	18,82	221 035	18,43
Other own revenue	30 754	2,94	31 231	2,78	34 981	2,92
<b>Total Operating revenue</b>	<b>1 047 398</b>	<b>100</b>	<b>1 121 695</b>	<b>100</b>	<b>1 199 455</b>	<b>100</b>
<b>Total Operating Expenditure</b>	<b>998 836</b>		<b>1 084 688</b>		<b>1 147 202</b>	
<b>Surplus/(Deficit)</b>	<b>48 562</b>		<b>37 007</b>		<b>52 253</b>	

The surplus / (deficit) included in transfers and grants the capital grants of R67.1 million in 2016/2017, R58.4 million in 2017/2018 and R58.8 million in 2018/2019 financial years.

The following graph is a breakdown of the operational revenue per main category for the 2016/17 financial year.



**Figure 7 Breakdown of operating revenue over the 2016/17 MTREF**

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc.) from the remainder of the operating revenue.

The revenue strategy is a function of key components such as:

- Growth in the Municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 87 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA),

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

**Proposed tariff increases over the medium-term**

Revenue category	2015/16 proposed tariff increase	2016/17 proposed tariff increase	2017/18 proposed tariff increase
	%	%	%
Property rates	8	6.2	5.9
Sanitation	8	6.2	5.9
Solid Waste	8	6.2	5.9
Water	11.91	6.2	5.9
Electricity	7.64 to NERSA approval and tariff increase by ESKOM	10.0	10.0

The Municipality is still in a process of further data verification and validation relating to the valuation roll. It is anticipated that the process will be concluded by the end of 2016. As the levying of property rates is considered a strategic revenue source the five year valuation of property started in the 4th quarter of the 2011/12 financial year. The new valuation roll was implemented on 1 July 2013.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R689 million for the 2016/17 financial year and increasing to R782 million by 2018/19. For the 2016/17 financial year services charges amount to 65.2 per cent of the total revenue base and increase by less than 1 per cent per annum over the medium-term.

Operational grants and subsidies amount to R131.7 million, R152.6 million and R162.2 million for each of the respective financial years of the MTREF.

Interest revenue contributes marginally to the revenue base of the Municipality with a budget allocation of R21.5 million, R22.3million and R22.6 million for the respective three financial years of the 2016/17 MTREF. Interest is mainly made up from outstanding debtors.

The tables below provide detail investment information and investment particulars by maturity.

**Table 35MBRR SA15 – Detail Investment Information**

FS204 Metsimaholo - Supporting Table SA15 Investment particulars by type

F3204-Metsimandiro - Supporting Table 3A/15 Investment particulars by type										
Investment type	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
<u>Parent municipality</u>										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		7 000	16 826	11 332				10 000	5 000	20 000
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Consolidated total:		7 000	16 826	11 332	-	-	-	10 000	5 000	20 000

**Table 36MBRR SA16 – Investment particulars by maturity**

Investments by Maturity	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID										
<b>Parent municipality</b>										
Absa call	call	y	variable		None	3 633	100	(12 052)	8 319	–
RMB call	call	y	variable		None	1 427	40	(7 967)	6 500	–
Necbank call	call	y	variable		None	5 773	150	(17 923)	12 000	–
Standard Bank call	call	y	variable		None	2 073	700	(57 773)	55 000	–
Investec	call	y	variable		None	–	120	(20 120)	20 000	–
Investec	32days	y	Fixed	7,00%	30 June 2016	–	150	(15 150)	15 000	–
<b>TOTAL INVESTMENTS AND INTEREST</b>						12 906		(130 985)	116 819	–

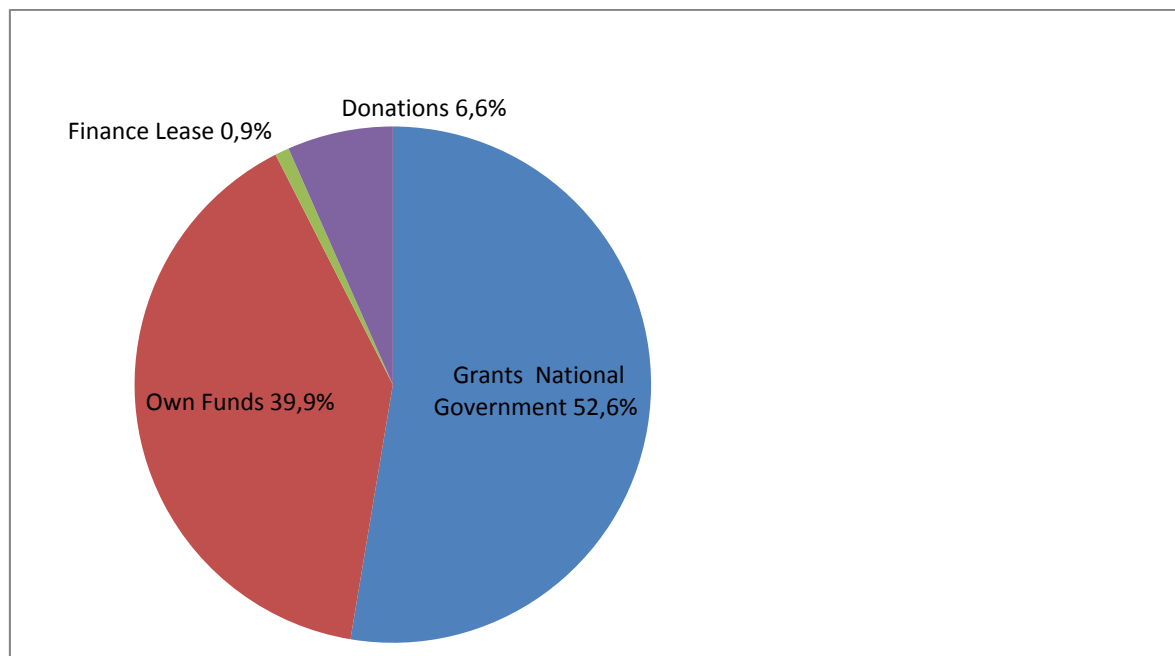
## 2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2015/16 medium-term capital programme:

**Table 37 Sources of capital revenue over the MTREF**

Funding source	Audit 2013/14	Audit 2013/14	Adjust Budget 2015/16	Adjust Budget 2015/16	Budget 2016/17	Budget 2016/17	Budget 2017/18	Budget 2017/18	Budget 2018/18	Budget 2018/19
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Grants			76 854	<b>50,7</b>	59 591	<b>52,6</b>	58 473	<b>45,7</b>	58 818	<b>48,0</b>
Other Grants			853	<b>0,6</b>	7 500	<b>6,6</b>				
Loans			18 000	<b>11,9</b>	0	<b>0,0</b>	0	<b>0,0</b>		<b>0,0</b>
Finance lease					1 000	<b>0,9</b>				
Own Funding			56 011	<b>36,9</b>	45 154	<b>39,9</b>	69 504	<b>54,3</b>	63 607	<b>52,0</b>
<b>Total</b>		<b>100</b>	<b>151 718</b>	<b>100,0</b>	<b>113 245</b>	<b>100</b>	<b>127 977</b>	<b>100</b>	<b>122 425</b>	<b>100</b>

The above table is graphically represented as follows for the 2016/17 financial year.



**Figure 8 Sources of capital revenue for the 2016/17 financial year**

Capital grants and receipts equates to 52.6 per cent of the total funding source which represents R59.6 million for the 2016/17 financial year and steadily decrease to R58.8 million or 48 per cent by 2018/2019, Grants received from MIG and DoE .

Internally generated funds consist of R45.1 million in 2016/17, R69.5 million in 2017/18 and R63.6 million in 2018/19.

### 2.6.3 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA.

**Table 38MBRR SA10 – Funding compliance measurement**

FS204 Metsimaholo Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2012/13	2013/14	2014/15	2016/17 Medium Term Revenue & Expenditure Framework			Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast			
<b>Funding measures</b>	–	–									
Cash/cash equivalents at the year end - R'000	18(1)b		11 600	97 039	–	159	732	732	19 001	12 160	36 023
Cash + investments at the yr end less applications - R'000	18(1)b		(95 984)	(121 592)	(118 312)	(87 379)	292	133	19 131	13 444	40 920
Cash year end/monthly employee/supplier payments	18(1)b		0,3	1,9	–	0,0	0,0	0,0	0,3	0,2	0,5
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)		723	47 094	152 322	41 077	30 017	30 017	48 562	37 007	52 253
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)		N.A.	4,2%	15,0%	15,2%	(9,5%)	(6,0%)	9,6%	1,6%	1,4%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)		90,0%	84,5%	72,6%	86,0%	88,0%	88,0%	87,3%	87,3%	89,1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)		13,9%	17,2%	19,2%	11,6%	13,9%	13,9%	10,4%	9,8%	8,2%
Capital payments % of capital expenditure	18(1)c;19		0,0%	0,0%	27,9%	92,5%	99,4%	99,4%	93,4%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c		0,0%	(403,7%)	0,0%	35,6%	24,3%	24,3%	2,2%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	18(1)a								0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	18(1)a		N.A.	17,2%	40,1%	(7,6%)	49,5%	0,0%	9,1%	6,4%	5,8%
Long term receivables % change - incr(decr)	18(1)a		N.A.	(100,0%)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	20(1)(vi)		7,7%	6,4%	5,5%	8,0%	7,5%	7,5%	8,2%	8,3%	8,9%
Asset renewal % of capital budget	20(1)(vi)		0,0%	0,0%	0,0%	1,1%	0,0%	0,0%	15,4%	21,7%	28,2%

**References**

1. Positive cash balances indicative of minimum compliance - subject to 2

2. Deduct cash and investment applications (defined) from cash balances

3. Indicative of sufficient liquidity to meet average monthly operating payments

4. Indicative of funded operational requirements

5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)

6. Realistic average cash collection forecasts as % of annual billed revenue

7. Realistic average increase in debt impairment (doubtful debt) provision

8. Indicative of planned capital expenditure level &amp; cash payment timing

9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing

10. Substantiation of National/Province allocations included in budget

13. Indicative of a credible allowance for repairs &amp; maintenance of assets - functioning assets revenue protection

<b>Supporting indicators</b>	–	–	–	–							
% incr <i>total service charges (incl prop rates)</i>	18(1)a			10,2%	21,0%	21,2%	(3,5%)	0,0%	15,6%	7,6%	7,4%
% incr Property Tax	18(1)a			4,2%	15,5%	(3,5%)	(4,0%)	0,0%	9,9%	6,7%	6,3%
% incr Service charges - electricity revenue	18(1)a			8,6%	9,6%	24,5%	(0,9%)	0,0%	17,8%	10,0%	10,0%
% incr Service charges - water revenue	18(1)a			13,1%	42,1%	23,1%	(2,8%)	0,0%	17,1%	6,2%	5,9%
% incr Service charges - sanitation revenue	18(1)a			10,0%	12,0%	34,1%	(18,0%)	0,0%	8,3%	6,2%	5,9%
% incr Service charges - refuse revenue	18(1)a			8,1%	36,8%	49,7%	(25,1%)	0,0%	4,2%	6,2%	5,9%
% incr in Service charges - other	18(1)a			70,4%	(90,7%)	676,5%	31,8%	0,0%	22,5%	3,5%	4,2%
Total billable revenue	18(1)a	449	495	599	725	700					
		229	143	009	857	279	700 279	809 747	870 904	935 357	
Service charges		449	495	599	725	700					
		229	143	009	857	279	700 279	809 747	870 904	935 357	
Property rates		92	96	111	107	103					
		485	376	299	386	140	103 140	113 366	120 916	128 546	
Service charges - electricity revenue		164	178	195	243	241					
		079	217	341	223	053	241 053	284 053	312 458	343 704	
Service charges - water revenue		155	175	249	307	298					
		164	524	416	067	555	298 555	349 547	371 219	393 121	
Service charges - sanitation revenue		14	16	18	24	19					
		677	150	087	250	894	19 894	21 545	22 880	24 230	
Service charges - refuse removal		16	17	23	35	26					
		081	390	796	618	678	26 678	27 807	29 531	31 274	
Service charges - other		6	11	1	8	10					
		743	487	071	313	959	10 959	13 429	13 899	14 483	
Rental of facilities and equipment		4	4	4	5	5					
Capital expenditure excluding capital grant funding		514	858	600	272	112	5 112	5 780	5 922	6 189	
		13	3	4	89	74					
		474	101	181	497	011	74 011	46 154	69 504	63 607	
Cash receipts from ratepayers	18(1)a	429	453	479	654	646					
		035	109	211	437	853	646 853	737 289	792 840	866 970	
Ratepayer & Other revenue	18(1)a	476	536	659	761	734					
		736	087	871	364	842	734 842	845 011	907 780	973 236	
Change in consumer debtors (current and non-current)		66	18	55	(14	74					
		471	651	631	782)	152	74 152	113 414	18 740	18 157	
Operating and Capital Grant Revenue	18(1)a	164	187	302	204	202					
		958	766	818	686	686	202 686	198 786	211 115	221 035	
Capital expenditure - total	20(1)(vi)	78	70	188	185	151					
		113	910	267	852	718	151 718	113 245	127 977	122 425	
Capital expenditure - renewal	20(1)(vi)	–	–	–	020	–	–	17 476	27 812	34 542	
<b>Supporting benchmarks</b>											
Growth guideline maximum			6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	
CPI guideline			4,3%	3,9%	4,6%	5,0%	5,0%	5,0%	5,4%	5,6%	5,4%
DoRA operating grants total MFY											
DoRA capital grants total MFY											
Provincial operating grants											
Provincial capital grants											
District Municipality grants											
Total gazetted/advised national, provincial and district grants											
Average annual collection rate (arrears inclusive)								–	–	–	



DoRA operating

<i>Equitable Share</i>									125 978	140 738	155 882
Financial Management Grant									625	1 700	1 955
Energy Efficiency & demand										6 000	
EPWP									1 060		
									127 663	148 438	157 837

DoRA capital

<i>Financial Management Grant</i>									1 000		
DoE									18 000	15 000	13 000
MIG Operating									2 031	2 204	2 380
MIG Capital									40 592	43 473	45 818
									61 623	60 677	61 198

Trend

Change in consumer debtors (current and non-current)			66 471	18 651	55 631	(194 308)	113 414	18 740	–	–	–
--	--	--	--------	--------	--------	-----------	---------	--------	---	---	---

<u>Total Operating Revenue</u>			580 233	650 090	776 474	894 195	868 234	868 234	980 306	1 063 222	1 140 637
<u>Total Operating Expenditure</u>			646 647	686 120	814 936	931 973	915 072	915 072	998 836	1 084 688	1 147 202
<u>Operating Performance</u>											
<u>Surplus/(Deficit)</u>			(66 414)	(36 030)	(38 462)	(37 778)	(46 838)	(46 838)	(18 530)	(21 466)	(6 565)
<u>Cash and Cash Equivalents (30 June 2012)</u>									19 001		

<u>Revenue</u>											
% Increase in Total Operating Revenue				12,0%	19,4%	15,2%	(2,9%)	0,0%	12,9%	8,5%	7,3%
% Increase in Property Rates Revenue				4,2%	15,5%	(3,5%)	(4,0%)	0,0%	9,9%	6,7%	6,3%
% Increase in Electricity Revenue				8,6%	9,6%	24,5%	(0,9%)	0,0%	17,8%	10,0%	10,0%
% Increase in Property Rates & Services Charges				10,2%	21,0%	21,2%	(3,5%)	0,0%	15,6%	7,6%	7,4%

<u>Expenditure</u>											
% Increase in Total Operating Expenditure				6,1%	18,8%	14,4%	(1,8%)	0,0%	9,2%	8,6%	5,8%
% Increase in Employee Costs				10,7%	(7,1%)	27,3%	1,5%	0,0%	10,3%	7,3%	7,3%
% Increase in Electricity Bulk Purchases				7,6%	7,1%	14,7%	0,3%	0,0%	13,1%	13,5%	10,0%
Average Cost Per Budgeted Employee Position (Remuneration)					2377	2392					
Average Cost Per Councillor (Remuneration)					2839						
R&M % of PPE			7,7%	6,4%	5,5%	8,0%	7,5%	7,5%	8,2%	8,3%	8,9%
Asset Renewal and R&M as a % of PPE			7,0%	6,0%	5,0%	8,0%	7,0%	7,0%	9,0%	10,0%	11,0%
Debt Impairment % of Total Billable Revenue			13,9%	17,2%	19,2%	11,6%	13,9%	13,9%	10,4%	9,8%	8,2%

<u>Capital Revenue</u>											
Internally Funded & Other (R'000)			4 475	3 101	4 181	57 617	56 011	56 011	45 154	69 504	63 607
Borrowing (R'000)			9 000	–	–	31 880	18 000	18 000	1 000	–	–
Grant Funding and Other (R'000)			64 639	67 809	184 086	96 355	77 707	77 707	67 092	58 473	58 818
Internally Generated funds % of Non Grant Funding			33,2%	100,0%	100,0%	64,4%	75,7%	75,7%	97,8%	100,0%	100,0%
Borrowing % of Non Grant Funding			66,8%	0,0%	0,0%	35,6%	24,3%	24,3%	2,2%	0,0%	0,0%
Grant Funding % of Total Funding			82,8%	95,6%	97,8%	51,8%	51,2%	51,2%	59,2%	45,7%	48,0%

<u>Capital Expenditure</u>											
Total Capital Programme (R'000)			78 113	70 910	188 267	185 852	151 718	151 718	113 245	127 977	122 425
Asset Renewal			–	–	–	2 020	–	–	17 476	27 812	34 542
Asset Renewal % of Total Capital			0,0%	0,0%	0,0%	1,1%	0,0%	0,0%	15,4%	21,7%	28,2%

Expenditure											
<b>Cash</b>											
Cash Receipts % of Rate Payer & Other			90,0%	84,5%	72,6%	86,0%	88,0%	88,0%	87,3%	87,3%	89,1%
Cash Coverage Ratio			0	0	–	0	0	0	0	0	0
<b>Borrowing</b>											
Credit Rating (2009/10)											
Capital Charges to Operating			(1,6%)	0,5%	0,7%	0,7%	0,4%	0,4%	0,7%	0,6%	0,6%
Borrowing Receipts % of Capital Expenditure			0,0%	(403,7%)	0,0%	35,6%	24,3%	24,3%	2,2%	0,0%	0,0%
<b>Reserves</b>											
Surplus/(Deficit)			(95 984)	(121 592)	(118 312)	(87 379)	292	133	19 131	13 444	40 920
<b>Free Services</b>											
Free Basic Services as a % of Equitable Share			39,8%	38,4%	23,9%	31,8%	26,6%	26,6%	41,4%	39,7%	38,2%
Free Services as a % of Operating Revenue (excl operational transfers)			10,0%	11,6%	8,0%	5,3%	6,8%	6,8%	6,2%	6,0%	5,9%
<b>High Level Outcome of Funding Compliance</b>											
Total Operating Revenue			580 233	650 090	776 474	894 195	868 234	868 234	980 306	1 063 222	1 140 637
Total Operating Expenditure			646 647	686 120	814 936	931 973	915 072	915 072	998 836	1 084 688	1 147 202
Surplus/(Deficit) Budgeted Operating Statement			(66 414)	(36 030)	(38 462)	(37 778)	(46 838)	(46 838)	(18 530)	(21 466)	(6 565)
Surplus/(Deficit) Considering Reserves and Cash Backing			(95 984)	(121 592)	(118 312)	(87 379)	292	133	19 131	13 444	40 920
<b>MTREF Funded ✓ / Unfunded ✗</b>			✗	✗	✗	✗	✓	✓	✓	✓	✓

## 2.7 Expenditure on grants and reconciliations of unspent funds

**Table 39 MBRR SA19 - Expenditure on transfers and grant programmes**

FS204 Metsimaholo - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
<b>EXPENDITURE:</b>										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		99,959	106,741	113,293	121,134	121,134	121,134	129,694	144,642	160,217
Local Government Equitable Share		93,903	101,698	107,542	115,423	115,423	115,423	125,978	140,738	155,882
Finance Management		1,500	1,550	1,600	1,600	1,600	1,600	625	1,700	1,955
Municipal Systems Improvement		800	890	934	930	930	930			
EPWP Incentive		1,395	366	1,109	1,020	1,020	1,020	1,060	–	–
MIG(National Government)		2,361	2,237	2,108	2,161	2,161	2,161	2,031	2,204	2,380
Provincial Government:		–	500	1,666	4,600	4,600	4,600	2,000	8,000	2,000
Department of Sport			500	1,666	1,600	1,600	1,600	2,000	2,000	2,000
Energy efficient and demand side management grant					3,000	3,000	3,000	–	6,000	–
District Municipality:		–	–	–	–	–	–	–	–	–
<i>[insert description]</i>										
Other grant providers:		224	137	849	–	–	–	–	–	–
SETA		224	137	849						
Total operating expenditure of Transfers and Grants:		100,183	107,378	115,808	125,734	125,734	125,734	131,694	152,642	162,217
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		50,806	44,911	46,021	44,855	44,855	44,552	41,592	43,473	45,818
Municipal Infrastructure Grant (MIG)		47,309	42,199	40,031	41,355	41,355	41,052	40,592	43,473	45,818
Financial Management Grant								1,000		
DWA(Water Affairs)		3,497	2,712	5,990	3,500	3,500	3,500			
Provincial Government:		2,354	1,476	134,634	5,000	3,000	3,000	–	–	–
Other capital transfers/grants <i>[insert description]</i>		2,354	1,476	134,634	5,000	3,000	3,000			
District Municipality:		1,039	–	22	–	853	853	–	–	–
<i>[insert description]</i>		1,039		22		853	853			
Other grant providers:		10,575	34,500	8,000	46,500	29,000	29,000	25,500	15,000	13,000
DOE(National Grant)		10,575	34,500	8,000	29,000	29,000	29,000	18,000	15,000	13,000
Sasol Mining					17,500			7,500		
Total capital expenditure of Transfers and Grants		64,774	80,887	188,676	96,355	77,707	77,405	67,092	58,473	58,818
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		164,957	188,266	304,484	222,088	203,441	203,139	198,786	211,115	221,035

**Table 40MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds**

FS204 Metsimaholo - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Operating transfers and grants:</b>	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		99,959	106,741	116,593	121,134	121,134	121,134	129,694	144,722	160,247
Conditions met - transferred to revenue		99,959	106,741	116,593	121,134	121,134	121,134	129,694	144,722	160,247
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts			500	1,666	4,600	4,600	4,600	2,000	8,000	2,000
Conditions met - transferred to revenue		-	500	1,666	4,600	4,600	4,600	2,000	8,000	2,000
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		224	137							
Conditions met - transferred to revenue		224	137	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		100,183	107,378	118,259	125,734	125,734	125,734	131,694	152,722	162,247
<b>Total operating transfers and grants - CTBM</b>		-	-	-	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		50,806	44,911	42,731	44,855	44,855	44,552	41,592	43,393	45,788
Conditions met - transferred to revenue		50,806	44,911	42,731	44,855	44,855	44,552	41,592	43,393	45,788
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		2,354	1,476	134,634	5,000	3,000	3,000			
Conditions met - transferred to revenue		2,354	1,476	134,634	5,000	3,000	3,000	-	-	-

Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts	1,039		22		853	853				
Conditions met - transferred to revenue	1,039	-	22	-	853	853	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts	10,575	34,500	8,000	46,500	29,000	29,000	25,500	15,000	13,000	
Conditions met - transferred to revenue	10,575	34,500	8,000	46,500	29,000	29,000	25,500	15,000	13,000	
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue	64,774	80,887	185,387	96,355	77,708	77,405	67,092	58,393	58,788	
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>	<b>164,957</b>	<b>188,265</b>	<b>303,646</b>	<b>222,089</b>	<b>203,442</b>	<b>203,139</b>	<b>198,786</b>	<b>211,115</b>	<b>221,035</b>	

## 2.8 Councillor and employee benefits

**Table 41MBRR SA22 - Summary of councillor and staff benefits**

FS204 Metsimaholo - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand										
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		8 079	8 549	10 013	10 980	10 980	10 980	11 092	11 862	12 742
Pension and UIF Contributions		161	10	10	10	10	10	11	11	11
Medical Aid Contributions		107	13	–	–	–	–	–	–	–
Motor Vehicle Allowance		3 580	2 715	3 272	3 514	3 514	3 514	3 946	4 222	4 518
Cell phone Allowance		475	617	908	916	916	916	938	1 004	1 074
Housing Allowances			620	207	99	99	99	357	354	367
Other benefits and allowances			–	–	–	–	–			
<b>Sub Total - Councillors</b>		<b>12 402</b>	<b>12 524</b>	<b>14 410</b>	<b>15 519</b>	<b>15 519</b>	<b>15 519</b>	<b>16 343</b>	<b>17 453</b>	<b>18 711</b>
% increase			1,0%	15,1%	7,7%	–	–	5,3%	6,8%	7,2%
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		4 377	6 263	7 176	7 606	7 606	7 606	8 215	8 790	9 406
Pension and UIF Contributions		–	–	–	–	–	–	11	11	12
Medical Aid Contributions		–	26	–	2	2	2	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	341	341	704	755	807
Motor Vehicle Allowance		1 157	1 720	1 253	1 773	1 773	1 773	1 253	1 341	1 435
Cell phone Allowance		–	–	60	–	–	–	186	199	213
Housing Allowances		–	–	340	–	–	–	340	364	389
Other benefits and allowances		–	–	154	–	–	–	–	–	–
Payments in lieu of leave										
<b>Sub Total - Senior Managers of Municipality</b>		<b>5 534</b>	<b>8 010</b>	<b>8 983</b>	<b>9 381</b>	<b>9 722</b>	<b>9 722</b>	<b>10 710</b>	<b>11 461</b>	<b>12 263</b>
% increase			44,7%	12,2%	4,4%	3,6%	–	10,2%	7,0%	7,0%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		120 631	109 177	105 147	126 186	134 151	134 151	140 565	150 692	161 091
Pension and UIF Contributions		15 993	18 766	16 843	22 576	23 929	23 929	26 177	28 062	30 025
Medical Aid Contributions		9 079	9 466	9 663	11 499	13 297	13 297	14 539	15 586	17 103
Overtime		10 446	18 838	10 635	13 109	13 462	13 462	16 590	17 785	19 012
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		3 233	6 649	13 274	13 635	14 596	14 596	17 381	18 635	19 919
Cell phone Allowance		–	–	–	983	983	983	857	919	982
Housing Allowances		826	1 218	592	925	1 217	1 217	1 162	1 177	1 401
Other benefits and allowances		11 143	13 510	7 249	21 125	11 294	11 294	17 668	19 301	20 978
Payments in lieu of leave			–	1 264	3 541	3 541	3 541	3 785	4 058	4 338
Long service awards										
Post-retirement benefit obligations										
<b>Sub Total - Other Municipal Staff</b>		<b>171 351</b>	<b>177 624</b>	<b>164 669</b>	<b>213 579</b>	<b>216 470</b>	<b>216 470</b>	<b>238 725</b>	<b>256 214</b>	<b>274 848</b>
% increase			3,7%	(7,3%)	29,7%	1,4%	–	10,3%	7,3%	7,3%
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>189 287</b>	<b>198 158</b>	<b>188 061</b>	<b>238 479</b>	<b>241 712</b>	<b>241 712</b>	<b>265 778</b>	<b>285 127</b>	<b>305 822</b>
% increase			4,7%	(5,1%)	26,8%	1,4%	–	10,0%	7,3%	7,3%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>176 885</b>	<b>185 634</b>	<b>173 652</b>	<b>222 960</b>	<b>226 193</b>	<b>226 193</b>	<b>249 435</b>	<b>267 675</b>	<b>287 111</b>

**Table 42MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)**

FS204 Metsimaholo - Supporting Table SA23 Salaries, allowances &amp; benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>								
Speaker			419 960	–	276 100			696 060
Chief Whip			338 020	–	315 930			653 950
Executive Mayor			631 616	–	217 633			849 250
Deputy Executive Mayor			–	–	–			–
Executive Committee			4 085 620	–	1 622 110			5 707 730
Total for all other councillors			5 616 630	–	2 819 450			8 436 080
<b>Total Councillors</b>		–	11 091 846	–	5 251 223			16 343 070
<b>Senior Managers of the Municipality</b>								
Municipal Manager (MM)			1 690 440	1 790	276 000	138 560		2 106 790
Chief Finance Officer			1 798 170	1 790	54 000	130 510		1 984 470
Director Corporate Services			1 301 570	1 790	270 000	110 760		1 684 120
Director Social Services			1 217 450	1 790	340 000	109 770		1 669 010
Director Technical Services			1 059 050	1 790	439 290	105 600		1 605 730
Director Local Economic Development(LED)			1 148 750	1 790	400 000	109 150		1 659 690
<b>Total Senior Managers of the Municipality</b>		–	8 215 430	10 740	1 779 290	704 350		10 709 810
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>		–	19 307 276	10 740	7 030 513	704 350		27 052 880

**Table 43MBRR SA24–Summary of personnel numbers**

Summary of Personnel Numbers	Ref	2014/15			Current Year 2015/16			Budget Year 2016/17		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		42		42	42		42	42		42
Board Members of municipal entities										
<b>Municipal employees</b>										
Municipal Manager and Senior Managers		6		6	6		6	6		6
Other Managers		49	46	3	49	45	1	49	46	–
Professionals		18	18	–	24	24	–	21	18	2
<i>Finance</i>		5	5	–	7	7	–	8	7	–
<i>Spatial/town planning</i>		1	1	–	2	2	–	3	3	–
<i>Information Technology</i>		4	4	–	5	5	–	–	–	–
<i>Roads</i>		2	2	–	2	2	–	2	2	
<i>Electricity</i>		5	5	–	5	5	–	5	5	
<i>Water</i>		1	1	–	1	1	–	1	1	
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>					2	2	–	2	–	2
Technicians		140	138	–	159	159	–	164	162	–
<i>Finance</i>										
<i>Spatial/town planning</i>		4	4	–	4	4	–	4	4	
<i>Information Technology</i>					1	1	–	6	4	
<i>Roads</i>		35	34	–	44	44	–	44	44	
<i>Electricity</i>		65	64	–	69	69	–	69	69	
<i>Water</i>		31	31	–	36	36	–	36	36	
<i>Sanitation</i>										
<i>Refuse</i>		5	5	–	5	5	–	5	5	
<i>Other</i>										
Clerks (Clerical and administrative)		214	210	2	244	218	26	244	235	1
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		83	81	–	140	115	25	140	115	–
Elementary Occupations		516	500	–	618	588	30	618	606	–
<b>TOTAL PERSONNEL NUMBERS</b>		1 068	993	53	1 282	1 149	130	1 284	1 182	51
% increase					20,0%	15,7%	145,3%	0,2%	2,9%	(60,8%)
<b>Total municipal employees headcount</b>										
Finance personnel headcount										
Human Resources personnel headcount										



## **2.9 Monthly targets for revenue, expenditure and cash flow**

**Table 44MBRR SA25 - Budgeted monthly revenue and expenditure**

FS204 Metsimaholo - Supporting Table SA25 Budgeted monthly revenue and expenditure

Supporting Table S12a Budgeted Monthly Revenue and Expenditure																
Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand																
<b>Revenue By Source</b>																
Property rates	-	12 447	9 174	9 174	9 174	9 174	9 174	9 174	9 174	9 174	9 174	9 174	9 179	113 366	120 916	128 546
Service charges - electricity revenue		30 000	9 174	22 000	22 000	22 000	22 000	22 000	22 000	22 000	29 000	30 500	31 379	284 053	312 458	343 704
Service charges - water revenue		24 000	27 000	29 000	31 000	33 000	34 000	36 000	31 000	31 000	29 000	23 000	21 547	349 547	371 219	393 121
Service charges - sanitation revenue		1 795	1 795	1 795	1 795	1 795	1 795	1 795	1 795	1 795	1 795	1 795	1 800	21 545	22 880	24 230
Service charges - refuse revenue		2 317	2 317	2 317	2 317	2 317	2 317	2 317	2 317	2 317	2 317	2 317	2 320	27 807	29 531	31 274
Service charges - other		1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	1 119	13 429	13 899	14 483
Rental of facilities and equipment		482	482	482	482	482	482	482	482	482	482	482	482	5 780	5 922	6 189
Interest earned - external investments		217	217	217	217	217	217	217	217	217	217	217	217	2 600	2 600	2 600
Interest earned - outstanding debtors		1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 578	1 579	18 940	19 745	19 963
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		252	252	252	252	252	252	252	252	252	252	252	252	3 025	3 188	3 360
Licences and permits		16	16	16	16	16	16	16	16	16	16	16	15	191	201	212
Transfers recognised - operational		43 898				43 898				43 898			0	131 694	152 642	162 217
Other revenue		611	611	611	611	611	611	611	611	611	611	611	610	7 328	7 820	8 154
Gains on disposal of PPE		83	83	83	83	83	83	83	83	83	83	83	83	1 001	200	2 584
Total Revenue (excluding capital transfers and contributions)		118 815	53 818	68 644	70 644	116 542	73 644	75 644	70 644	114 542	75 644	71 144	70 582	980 306	1 063 222	1 140 637
<b>Expenditure By Type</b>																
Employee related costs	-	20 786	20 786	20 786	20 786	20 786	20 786	20 786	20 786	20 786	20 786	20 786	20 786	249 435	267 675	287 111
Remuneration of councillors		1 362	1 362	1 362	1 362	1 362	1 362	1 362	1 362	1 362	1 362	1 362	1 362	16 343	17 453	18 711
Debt impairment		7 037	7 037	7 037	7 037	7 037	7 037	7 037	7 037	7 037	7 037	7 037	7 037	84 441	85 147	77 079
Depreciation & asset impairment		6 128	6 128	6 128	6 128	6 128	6 128	6 128	6 128	6 128	6 128	6 128	6 127	73 535	79 658	84 406
Finance charges		187	187	187	187	187	187	187	187	187	187	187	184	2 241	1 789	1 293
Bulk purchases		30 971	30 971	30 971	30 971	30 971	30 971	30 971	30 971	30 971	30 971	30 971	30 971	371 654	416 143	457 480
Other materials		3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	38 199	39 978	45 591
Contracted services		3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	3 044	36 532	38 200	34 864
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		10 538	10 538	10 538	10 538	10 538	10 538	10 538	10 538	10 538	10 538	10 538	10 536	126 454	138 645	140 668
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		83 237	83 237	83 237	83 237	83 237	83 237	83 237	83 237	83 237	83 237	83 237	83 233	998 836	1 084 688	1 147 202

Surplus/(Deficit)		35 578	(29 419)	(14 593)	(12 593)	33 305	(9 593)	(7 593)	(12 593)	31 305	(7 593)	(12 093)	(12 650)	(18 530)	(21 466)	(6 565)
Transfers recognised - capital		16 773			16 773			16 773		16 773			(0)	67 092	58 473	58 818
Contributions recognised - capital													-	-	-	-
Contributed assets													-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		52 351	(29 419)	(14 593)	4 180	33 305	(9 593)	9 180	(12 593)	48 078	(7 593)	(12 093)	(12 651)	48 562	37 007	52 253
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)		52 351	(29 419)	(14 593)	4 180	33 305	(9 593)	9 180	(12 593)	48 078	(7 593)	(12 093)	(12 651)	48 562	37 007	52 253

**Table 45MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

FS204 Metsimaholo - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Multi-year expenditure to be appropriated</b>																
Vote 1 - Council/Mayor, Speaker and Councillors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		474	474	474	474	474	474	474	474	474	474	474	474	5 683	2 896	2 955
Vote 3 - Organisational Development & Corporate Services		104	104	104	104	104	104	104	104	104	104	104	106	1 250	800	1 167
Vote 4 - Social Services		1 004	1 004	1 004	1 004	1 004	1 004	1 004	1 004	1 004	1 004	1 004	1 009	12 053	25 475	31 513
Vote 5 - Infrastructure Services		7 612	7 612	7 612	7 612	7 612	7 612	7 612	7 612	7 612	7 612	7 612	7 613	91 345	94 256	83 291
Vote 6 - Financial Services		55	55	55	55	55	55	55	55	55	55	55	55	665	2 800	3 500
Vote 7 - Local Economic Development		188	188	188	188	188	188	188	188	188	188	188	188	2 250	1 750	-
Capital multi-year expenditure sub-total		9 436	9 436	9 436	9 436	9 436	9 436	9 436	9 436	9 436	9 436	9 436	9 444	113 245	127 977	122 425
Total Capital Expenditure		9 436	9 436	9 436	9 436	9 436	9 436	9 436	9 436	9 436	9 436	9 436	9 444	113 245	127 977	122 425

**Table 46 MBRR SA30 - Budgeted monthly cash flow**

FS204 Metsimaholo - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS  R thousand	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Cash Receipts By Source</b>															
Property rates	8 148	7 948	7 948	11 030	7 948	7 948	7 948	7 948	7 948	7 948	7 948	7 919	98 629	105 197	114 406
Service charges - electricity revenue	28 000	28 000	25 000	22 000	22 000	18 000	18 000	19 000	20 000	21 000	22 000	25 943	268 943	295 837	328 234
Service charges - water revenue	18 000	21 000	27 000	28 000	30 000	29 000	30 000	29 000	25 000	22 000	20 000	19 989	298 989	317 526	343 990
Service charges - sanitation revenue	1 562	1 562	1 562	1 562	1 562	1 562	1 562	1 562	1 562	1 562	1 562	1 562	18 744	19 906	21 565
Service charges - refuse revenue	1 969	1 969	1 969	1 969	1 969	1 969	1 969	1 969	1 969	1 969	1 969	1 977	23 636	24 822	27 833
Service charges - other	1 076	1 076	1 076	1 076	1 076	1 076	1 076	1 076	1 076	1 076	1 076	1 084	12 920	13 368	13 929
Rental of facilities and equipment	431	431	431	451	431	431	451	441	441	441	431	449	5 260	5 376	5 705
Interest earned - external investments	216	216	216	216	216	216	216	216	216	216	216	224	2 600	2 600	2 600
Interest earned - outstanding debtors	1 341	1 341	1 341	1 441	1 341	1 341	1 441	1 341	1 341	1 341	1 341	1 527	16 478	17 178	19 963
Dividends received												–			
Fines	252	252	252	252	252	252	252	252	252	252	252	253	3 025	3 188	3 360
Licences and permits	15	15	15	15	15	15	15	15	15	15	15	16	181	191	201
Agency services												–			
Transfer receipts - operational	43 898				43 898				43 898			0	131 694	152 642	162 217
Other revenue	532	532	532	532	532	532	532	532	532	532	532	1 111	6 963	7 429	7 746
<b>Cash Receipts by Source</b>	<b>105 440</b>	<b>64 342</b>	<b>67 342</b>	<b>68 544</b>	<b>111 240</b>	<b>62 342</b>	<b>63 462</b>	<b>63 352</b>	<b>104 250</b>	<b>58 352</b>	<b>57 342</b>	<b>62 053</b>	<b>888 061</b>	<b>965 261</b>	<b>1 051 750</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	16 773			16 773			9 273		16 773			(0)	59 592	58 473	58 818
Proceeds on disposal of PPE					500							501	1 001	200	2 584
Short term loans												–			
Borrowing long term/refinancing	1 000											–	1 000		
Increase (decrease) in consumer deposits	91	91	91	91	91	91	91	91	91	91	91	99	1 100	900	300
Decrease (Increase) in non-current debtors												–			
Decrease (increase) other non-current receivables												–			
Decrease (increase) in non-current investments												–			
<b>Total Cash Receipts by Source</b>	<b>123 304</b>	<b>64 433</b>	<b>67 433</b>	<b>85 408</b>	<b>111 831</b>	<b>62 433</b>	<b>72 826</b>	<b>63 443</b>	<b>121 114</b>	<b>58 443</b>	<b>57 433</b>	<b>62 653</b>	<b>950 754</b>	<b>1 024 834</b>	<b>1 113 452</b>

<b>Cash Payments by Type</b>															
Employee related costs	20 786	20 786	20 786	20 786	20 786	20 786	20 786	20 786	20 786	20 786	20 786	20 789	249 435	267 675	287 111
Remuneration of councillors	1 361	1 361	1 361	1 361	1 361	1 361	1 361	1 361	1 361	1 361	1 361	1 372	16 343	17 453	18 711
Finance charges	211	211	211	211	211	211	211	211	211	211	211	220	2 541	2 047	1 532
Bulk purchases - Electricity	25 000	24 000	24 000	20 000	16 000	14 000	14 000	14 000	15 000	15 000	15 000	20 662	216 662	245 911	270 503
Bulk purchases - Water & Sewer	12 000	12 000	12 000	15 000	16 000	16 000	16 000	16 000	14 000	14 000	14 000	13 535	170 535	186 982	205 027
Other materials	3 087	3 087	3 087	3 087	3 087	3 087	3 087	3 087	3 087	3 087	3 087	3 096	37 053	38 779	44 223
Contracted services	2 983	2 983	2 983	2 983	2 983	2 983	2 983	2 983	2 983	2 983	2 983	2 989	35 802	37 437	34 167
Transfers and grants - other municipalities												-			
Transfers and grants - other												-			
Other expenditure	7 823	7 823	7 823	7 823	7 823	7 823	7 823	7 823	7 823	7 823	7 823	7 827	93 880	102 473	100 452
<b>Cash Payments by Type</b>	<b>73 251</b>	<b>72 251</b>	<b>72 251</b>	<b>71 251</b>	<b>68 251</b>	<b>66 251</b>	<b>66 251</b>	<b>66 251</b>	<b>65 251</b>	<b>65 251</b>	<b>65 251</b>	<b>70 490</b>	<b>822 251</b>	<b>898 756</b>	<b>961 726</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	39 745	105 745	127 977	122 425
Repayment of borrowing	36	36	36	36	36	36	36	36	36	36	36	4 093	4 489	4 941	5 438
Other Cash Flows/Payments												-			
<b>Total Cash Payments by Type</b>	<b>79 287</b>	<b>78 287</b>	<b>78 287</b>	<b>77 287</b>	<b>74 287</b>	<b>72 287</b>	<b>72 287</b>	<b>72 287</b>	<b>71 287</b>	<b>71 287</b>	<b>71 287</b>	<b>114 328</b>	<b>932 485</b>	<b>1 031 674</b>	<b>1 089 589</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>44 017</b>	<b>(13 854)</b>	<b>(10 854)</b>	<b>8 121</b>	<b>37 544</b>	<b>(9 854)</b>	<b>539</b>	<b>(8 844)</b>	<b>49 827</b>	<b>(12 844)</b>	<b>(13 854)</b>	<b>(51 675)</b>	<b>18 269</b>	<b>(6 841)</b>	<b>23 863</b>
Cash/cash equivalents at the month/year begin:	732	44 749	30 895	20 041	28 162	65 706	55 852	56 391	47 547	97 374	84 530	70 676	732	19 001	12 160
Cash/cash equivalents at the month/year end:	44 749	30 895	20 041	28 162	65 706	55 852	56 391	47 547	97 374	84 530	70 676	19 001	19 001	12 160	36 023

## 2.10 Annual budgets and SDBIPs – internal departments

To be revised after tabling of MTREF

Information to be updated by IDP and PMS section

### EID Cluster

<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development				
<b>Programme 1: Water</b>				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target (2012/13-2016/17)	Annual Target 2015/16
To ensure the effective and efficient management of water resources	1.7 Maintenance Plan developed and approved by Council	100%	100%	Develop Water Maintenance Plan
	1.8 % minimization of water distribution loss	14%	14%	14%
	1.9 % of reported water leaks on t repaired on time	100%	100%	Reported water leaks repaired within 48 hours, 94% of the time
	1.10 % compliance with the blue drop water quality accreditation system	98%	99%	Blue Drop standards complied with at 92% level
	1.11 WSDP developed and approved	90%	90%	WSDP developed and approved by Council
	1.12 WC & DM implemented	100%	100%	17 zonal meters installed
<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development				
<b>Programme 2: Sanitation</b>				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target (2012/13-2016/17)	Annual Target 2015/16
To provide decent sanitation to all households	2.1 No HHs with access to basic sanitation	46 055	51 893	8857
	2.2 No. of households provided with sewer house connections	3 000	11 888	8857
To ensure sufficient bulk infrastructure To ensure the effective and efficient	2.5 Planned sewer pump stations constructed in Gortin			4 sewer pump stations in Gortin
	2.6 Maintenance Plan developed and approved by Council	100%	100%	Maintenance plan

<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development				
<b>Programme 1: Water</b>				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target (2012/13-2016/17)	Annual Target 2015/16
management of the sanitation system and network				developed and approved by Council
	2.7 % of reported sewer blockages attended to in time	93%	95%	Reported sewer blockages in attended to within 48 hours 90% of the time
	2.8 % compliance with the green drop quality accreditation system <sup>1</sup>	80%	80%	Green Drop complied with at 70% level
<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development				
<b>Programme 3: Electricity</b>				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target (2012/13-2016/17)	Annual Target 2015/16
To ensure access to electricity by all communities	3.1 No. of HHs with access to basic electricity in formal areas	(Amelia & Gortin) 46 675	51 893	( TK) 47 875
	3.2 No. of HHs provided with new metered stand connections in formal areas	1 453	6 037	3 500
	3.2 No. of HHs provided with new metered stand connections in formal areas	3 500	6 037	Switching station erected in Amelia for 1200 HHs
	3.4 No of Switching stations erected in Amelia	0	2	Switching station erected in Amelia
	3.5 Maintenance Plan developed and approved by Council	100%	100%	Maintenance plan developed and approved by Council

Strategic Priority (SP2): Broaden access to and improve the quality of municipal services				
Key Performance Area (KPA 1): Service delivery and infrastructure development				
Programme 1: Water				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target (2012/13-2016/17)	Annual Target 2015/16
To ensure the effective and efficient management of the electricity network	3.7 % electricity distribution losses minimized	12%	10%	Electricity distribution losses minimised to 13%
	3.8 % of reported outages responded to in time	2hrs	2hrs	Reported outages responded to within 2 hours 100% of the time
	3.9 % of reported industrial outages responded to in time	24hrs	24hrs	Within 24 hours 100% of the time
	3.10 % of reported faulty street and high mast lights responded to in time	2 months	2 months	Within 3-4 months 100% of the time

Strategic Priority (SP2): Broaden access to and improve the quality of municipal services				
Key Performance Area (KPA 1): Service delivery and infrastructure development				
Programme 4: Roads and storm water				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target (2012/13-2016/17)	Annual Target 2015/16
To ensure sufficient roads and storm water networks to all communities	4.1 Total km of un-engineered roads (dirt roads) graded	10km	60km	60km
	4.2 % of roads and storm-water infrastructure maintained	100%	100%	100%
	4.7 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	100%	100%	100%
	4.8 % actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	100%	100%	100%
	4.9 % of Auditor General queries resolved by end of April	90%	100%	100%
	4.10 % of report submitted on performance assessment of the service providers	100%	100%	100%



<b>Strategic Priority (SP3):</b> Build united, non-racial, integrated and safer communities				
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development				
<b>Programme 5:</b> Human Settlements				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target (2012/13-2016/17)	Annual Target 2015/16
To provide sustainable human settlements and improved quality of household life through accelerated delivery of housing opportunities and access to basic services	5.1 Number of stands transferred to households	24 stands transferred per annum or 6 stands per quarter	100%	24 stands to be transferred
	5.2 Integrated Human Settlement Plan reviewed	Integrated Human Settlement Plan adopted by council	100%	Integrated Human Settlement Plan reviewed and approved
	5.3 Business plan development for housing accreditation developed (level 1 & 2)	Municipality not accredited to handle housing function in full	100%	Business plan developed for housing accreditation developed and approved (level 1 & 2)
	5.4 Housing register up to date	Beneficiary register not updated regularly	100%	New information about beneficiaries updated on the register 100% of the time
<b>Strategic Priority (SP3):</b> Build united, non-racial, integrated and safer communities				
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development				
<b>Programme 6:</b> Spatial Development				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target (2012/13-2016/17)	Annual Target 2015/16
To stimulate development through effective and efficient spatial planning and building control	6.1 Spatial Development Framework (SDF) reviewed	Spatial Development Framework (SDF) not reviewed	100%	SDF Reviewed and approved
	6.2 Identified informal settlements formalised	Themba Khubeka and Moodraai formalised	100%	Themba Kubheka and Moodraai settlements formalised
	6.3 Tribunal established and functional	Tribunal not appointed	100%	Members of Tribunal appointed and atleast 10% of

				applications considered
	6.4 No of re- zonings, sub-divisions and consolidations applications processed	70%	100%	80% of rezonings, sub-divisions and consolidations applications processed
	6.5 No of building plans approved in time	100%	100%	100% of building plans approved within 30 days of receipt of applications
	6.6 No of buildings inspected and action taken in the event of transgressions of building regulations	70%		100% of buildings under construction and whose plans were approved, inspected and corrective action taken 100% of the time
<b>Strategic Priority (SP1):</b> Build our local economy to create more employment, decent work and sustainable livelihoods				
<b>Key Performance Area (KPA 2):</b> Local Economic Development				
<b>Programme 7:</b> Public transport				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target (2012/13-2016/17)	Annual Target 2015/16
To ensure that an effective and efficient public transport system is developed and maintained	7.2 No. of new taxi ranks completed	1	6	1
<b>Strategic Priority (SP1):</b> Build our local economy to create more employment, decent work and sustainable livelihoods				
<b>Key Performance Area (KPA 2):</b> Local Economic Development				
<b>Programme 8:</b> Local Economic Development				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target (2012/13-2016/17)	Annual Target 2016/17
To ensure support (non-financial and financial) for small enterprises, co-operatives and the informal sector	8.1 All identified LED sub-plans developed and implemented	No plans	100%	SMME Development, Marketing, Tourism and Heritage plans compiled and approved
	8.2 Number of training programmes offered to SMMEs and Cooperatives	4	8	4 Training programmes offered to SMMEs and

<b>Strategic Priority (SP1):</b> Build our local economy to create more employment, decent work and sustainable livelihoods				
<b>Key Performance Area (KPA 2):</b> Local Economic Development				
<b>Programme 7:</b> Public transport				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target (2012/13- 2016/17)	Annual Target 2015/16
				Cooperatives
	8.3 Incentive policy developed and approved by Council	50%	100%	100%
	8.4 Tourism brochure developed and distributed	50%	100%	Tourism brochure developed
	8.5 Identification and registration of local heritage sites	0	2	1
	8.6 No of tourism events hosted	2	6	2 Tourism events hosted
	8.7 A business summit organized			1 A business summit organized
	8.8 No. of social labour plan (SLP) projects completed <sup>2</sup>	1	5	1
	8.9 No. of local jobs summit organised and convened	1	4	1
<b>Strategic Priority (SP1):</b> Build our local economy to create more employment, decent work and sustainable livelihoods				
<b>Key Performance Area (KPA 2):</b> Local Economic Development				
<b>Programme 9:</b> Job Creation				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target (2012/13- 2016/17)	Annual Target 2015/16
To make a meaningful and visible contribution to employment creation	9.1 Number of statistical reports compiled on employment opportunities created as part of LED (NKPI: 7)	4	20	4
	9.2 Number of statistical reports compiled on employment opportunities created through EPWP initiatives (NKPI: 7)	4	20	4
	9.3 Number of quarterly statistical reports compiled on employment opportunities created through CWP by 2014 (NKPI: 7)	4	20	4
	9.4 Actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	100%	100%	100%

	9.5 Actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	100%	100%	100%
	9.6 Auditor General queries resolved by end of April	100%	100%	100%
	9.7 Report submitted on performance assessment of the service providers	100%	100%	100%

## Social Protection and Community Development Cluster

<b>Strategic Priority (SP1):</b> Build our local economy to create more employment, decent work and sustainable livelihoods				
<b>Key Performance Area (KPA 2):</b> Local Economic Development				
<b>Programme 10:</b> Sustainable Livelihoods				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
To ensure that poor households have access to free basic municipal services (NKPI: 5)	10.1 Indigent register updated according to requirements			Indigent register reviewed and new information updated accordingly
	10.2 Place an advert annually in the newspaper calling for IGG registration	1	3	1
	10.3 Capturing of all new IGG applications on Indigent register within two months	100%	100%	100%

<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development				
<b>Programme 11:</b> Waste Management				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To provide affordable, effective, efficient, economical and accessible waste management services to all communities.	11.1 Refuse removed regularly in all targeted areas	47 000	50 000	Refuse removed weekly from Gortin, Amelia and Themba Kubheka 100% of the time
	11.2 % of formal businesses receiving a daily refuse removal service	100%	100%	Refuse removal daily from all formal business
	11.3 Implementation Plan for IWMP developed and implemented	IWMP developed	100%	100%
	11.4 Implementation Plan for Waste Management Information System developed and implemented	Waste Management Information System developed	12	2015/16 plans of the Information System Implementation Plan implemented
	11.5 Existing landfill site closed	Existing landfill	100%	New Landfill

<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development				
<b>Programme 11:</b> Waste Management				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
		site closed		site developed
	11.6 % of new landfill site established	25%	50%	50%
<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 3):</b> Community Development and Social Cohesion				
<b>Programme 12:</b> Community Facilities				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
To promote access and utilisation of public and community amenities.	12.1 Number of new recreational parks developed	2	10	2
	12.2 Number of new sports grounds established	2	18	4
	12.3 New cemetery developed	1	2	New cemetery developed in Amelia
	12.4 Number of existing community halls maintained	7	7	7
	12.5 Number of existing swimming pools maintained	2	2	2
	12.6 Number of existing family parks maintained	14	14	14
	12.7 Number of existing sports grounds maintained	20	20	20
	12.8 Number of stadiums maintained	2	2	2
	12.9 High Performance Centres (HPCs) maintained	1	1	1
	12.10 MPC maintained	1	1	1
	12.11 Number of existing cemeteries maintained	8	8	8
	12.12 Abrahamsrust facility maintained as per approved maintenance plan	100%	100%	100%
	12.13 Day Visit Facilities (OV/DV) maintained and as per approved maintenance plan	100%	100%	100%
<b>Strategic Priority (SP3):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 3):</b> Community Development and Social Cohesion				
<b>Programme 13:</b> Clean Communities				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
To develop and promote a clean	13.1 Number of environmental cleanness programme implemented	6 Wards	100%	5

<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development				
<b>Programme 11:</b> Waste Management				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
and environmentally-friendly town & communities	13.2 Number of Training and Awareness programmes developed and implemented	4	20	4
	13.3 Number of illegal dumps removed	20	135	10
<b>Strategic Priority (SP3):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 3):</b> Community Development and Social Cohesion				
<b>Programme 14:</b> Safe Communities				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
To support and strengthen the fight against crime in all communities	14.1 Security Cluster programmes implemented	100%	100%	Applicable Cluster programs implemented
	14.2 All identified municipal by-laws enforced	100%	100%	By-law enforcement programme developed and fully implemented
	14.3 Number of school road safety programmers implemented <i>(in consultation with Principals)</i>	15	75	15
	14.4 % support for local, provincial and national crime prevention initiatives	100%	100%	100%
	14.5 % community access to fire-fighting services (wards?)	100%	100%	100%
	14.6 Response time to fire-fighting emergencies	Within 20 mins	Within 10 mins	Within 20 mins
	14.7 Fire Safety Programmes developed and implemented	10per quarter	200	Set plans of the Fire Safety Programme implemented
	14.8 Firefighting skills of the workforce enhanced	1	Identified firefighting workers trained in line with WSP targets	Identified firefighting workers trained in line with WSP targets
	14.9 Road traffic management laws enforced	8	Monthly roadblocks and % of traffic fines collected	Monthly roadblocks mounted and % of traffic fines collected
	14.10 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	100%	100%	100%
	14.11 % actual capital expenditure (OPEX) as a	100%	100%	100%

<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development				
<b>Programme 11:</b> Waste Management				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
	percentage of the approved/adjusted budget			
	14.12 % of Auditor General queries resolved by end of April	100%	100%	100%
	14.13 % of report submitted on performance assessment of the service providers	100%	100%	100%
<b>Strategic Priority (SP3):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 3):</b> Community Development and Social Cohesion				
<b>Programme 15:</b> Healthy Communities				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
To increase awareness and participation of communities in HIV/AIDS, TB, STIs, and other illnesses.	15.1 Number of community awareness programmes conducted on HIV/AIDS, TB and STIs	2	10	2
	15.2 Number of sport development programmes organised/offered	4	20	4
	15.3 Number of library development programmes organised/offered	900	4600	950
To increase access to community development services	15.4 Number of additional members registered	500	2500	100 more members registered
	15.5 Number of youth development programmes organised	2	10	2
	15.6 Number of programmes organised for women	2	10	2
	15.7 Number of programmes organised for children	2	10	2
	15.8 Number of programmes organised with the aged	2	10	2
<b>Strategic Priority (SP3):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 3):</b> Community Development and Social Cohesion				
<b>Programme 16:</b> Arts and Culture				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
To improve access and maximise	16.1 Annual arts and culture festival organised/hosted	1	3	1

<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development				
<b>Programme 11:</b> Waste Management				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
utilization of arts and culture resources	16.2 Number of arts and culture programmes organised	12	48	12
	16.3 Number of events/programmes held at theatre	4	20	4
	16.4 Number of local artists developed and participating in theatre productions	4	20	12
	16.5 Number of local schools participating in theatre programmes	4	20	4

### Governance and Administration Cluster

<b>Strategic Priority (SP3):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 3):</b> Community Development and Social Cohesion				
<b>Programme 17:</b> Disaster Management				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
To increase awareness and participation of communities in disaster management.	17.1 Increased number of disaster awareness programmes conducted in partnership with District and local Industries	4	20	4
	17.2 Disaster Management Plan developed and implemented	100%	100%	Disaster Management Plan developed and approved
	17.3 Number of volunteers trained on disaster management	30	150	30
	17.4 Disaster awareness programmes implemented	0	Programme with clear targets developed and implemented	Programme with clear targets developed and implemented
<b>Strategic Priority (SP4):</b> Promote active community participation				
<b>Key Performance Area (KPA 4):</b> Public Participation and Good Governance				
<b>Programme 18:</b> Participatory Governance				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
To improve the level of functionality of public participation systems in the	18.1 Number of Functional Ward Committees established	21	21	21
	18.2 Number of CDW's deployed in all 21 wards	21	21	21
	18.3 Number of ward committees trained on identified core skills areas	21	21	21



Strategic Priority (SP4): Promote active community participation				
Key Performance Area (KPA 4): Public Participation and Good Governance				
Programme 18: Participatory Governance				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
municipality (NKPI: 10) To actively support community-initiated social activities (2011 LGEM Local Priority 4) To improve external and internal communication	18.4 Number of quarterly community meetings held per ward	1 per ward per quarter	4 per ward per annum	4 per ward per annum
	18.5 Number of skills programmes implemented for burial societies, stokvels, religious groups, etc.	4 per annum	4 per annum	4 per annum
	18.6 Number of monthly updates of municipal website completed	12 updates	12 updates per annum	12 updates
	18.7 Number of newsletters produced and published	6	6 per annum	6
	18.8 Number of interactions arranged with the print and electronic media	12	12 per annum	12
	18.9 Number of quarterly interactions held with relevant municipal and community stakeholders (business, religious, etc.)	4	4 per annum	4
	18.10 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	100%	100%	100%
	18.11 % actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	100%	100%	100%
	18.12 % of Auditor General queries resolved by end of April	100%	100%	100%
	18.13 % of report submitted on performance assessment of the service providers	100%	100%	100%

Strategic Priority (SP5): Ensure more effective, accountable and clean local government that works together with national and provincial government				
Key Performance Area (KPA 4): Public Participation and Good Governance				
Programme 19: Corporate Governance				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
To ensure that effective and efficient	19.2 % of annual review of approved 5-year IDP conducted in terms of MSA and MFMA (Annual Revised IDP must be adopted by Council by the end of May each year)	100% (Third Review)	100%	100% (Fourth Review)
	19.2 % of relevant IGR reports submitted to senior management (14 days after each meeting)	100%	100%	100%

systems and processes of good governance are implemented and maintained (NKPI: 9) To ensure that a functional and effective Organisational Performance Management System (PMS) is adopted and implemented (NKPI: 3)	19.3 % of compliant annual SDBIP approved within 28 days after the approval of the budget	100%	100%	100%
	19.4 % Security management strategy compiled and approved (reviewed annually)	100%	100%	100%
	19.5 % Security management policy and plan compiled and approved (reviewed annually)	100%	100%	100%
	19.6 % report on Security incidents submitted to senior management (monthly) and council (quarterly)	100%	100%	100%
	19.7 % of annual internal audit plan approved by audit committee before end of June each year	100%	100%	100%
	19.8 % execution of annual internal audit plan	100%	100%	100%
	19.9 % developed three rolling coverage plan	100%	100%	100%
	19.10 Number of audit committees held per annum	4	4 per annum	4
	19.11 % review of audit charters completed annually (reviewed charters must be approved by the Audit Committee)	100%	100%	100%
	19.12 % review of risk management strategy & policy (approved by risk management committee)		100%	100%
	19.13 % of risk register compiled and updated quarterly	100%	100%	100%
	19.14 Number of risk management committee meetings held	4	4 per annum	4
	19.15 % of approved fraud prevention and anti-corruption strategy annually reviewed	100%	100%	100%
	19.16 % of approved fraud prevention and anti-corruption strategy annually implemented	75%	100%	100%
	19.17 % of compliant performance agreements for MM and s56 managers compiled and signed on time (NKPI: 2)	100%	100%	100%
	19.18 Employee PM&D policy developed and implemented	100%	100%	Employee PM&D Policy approved by Council.
	19.19 PMS cascaded to lower levels in the municipality		100%	PMS cascaded to first 3 levels of employees in the municipality
	19.20 No. of quarterly institutional performance reports submitted to Council within 30 days after the end of each quarter	4	4 per annum	4
	19.21 % of MSA and MFMA compliant Annual Report tabled in Council by 31 January each year	100%	100%	100%
	19.22 Oversight report submitted to Council within two months after tabling of Annual Report	End of March	End of March each year	End of March 2016

19.23 % of monthly report submitted to senior management regarding D/ville& O/ville units	100%	100%	100%
19.24 % of actual revenue collected against budget from day visit areas (D/ville& O/ville)	100%	100%	100%

**Strategic Priority (SP5):** Ensure more effective, accountable and clean local government that works together with national and provincial government

**Key Performance Area (KPA 4):** Public Participation and Good Governance

**Programme 20:** Intergovernmental Relations (IGR)

Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
To ensure effective participation by the municipality in all IGR forums and programmes (NKPI: 12)	20.1 % of IGR meetings and forums at District, Provincial and National levels attended according to schedules (DCF, PCF, Provincial and National Forums)	100%	100%	100%
	20.2 % of relevant IGR reports submitted to senior management (14 days after each meeting)	100%	100%	100%
	20.3 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	90%	100%	100%
	20.4 % actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	90%	100%	100%
	20.5 % of Auditor General queries resolved by end of April	100%	100%	100%
	20.6 % of report submitted on performance assessment of the service providers	100%	100%	100%
	20.7 % of Communication strategy developed and approved (reviewed annually)	100%	100%	100%
	20.9 Number of meetings held between Council Whip, Executive Mayor, Speaker & MM on matters affecting the Municipality	0	42	24
	20.10 % of Troika resolutions implemented	0	100%	100%

**Strategic Priority (SP5):** Ensure more effective, accountable and clean local government that works together with national and provincial government

**Key Performance Area (KPA 4):** Public Participation and Good Governance

**Programme 21:** Customer Care

Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
To ensure that	21.1 Customer care policy developed and implemented	50%	100%	Customer care

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 4):</b> Public Participation and Good Governance				
<b>Programme 20:</b> Intergovernmental Relations (IGR)				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
an effective and efficient customer care function is established				developed, approved and 2015/2016 plans of implementation plan implemented
	21.2 Customer Care Model developed and implemented	50%	100%	Customer Care Model approved and first phase of the model implemented
	21.3 % of Municipal employees(frontline staff) who received customer care training	0%	100%	50%
	21.4 % of Municipal customer care system and center established	0%	100%	100%
<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability				
<b>Programme 22:</b> Revenue and Cash Flow Management				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
To ensure the effective and efficient management of municipal revenue and cash flow according to national norms and standards	22.1 Annual property rates and service charges more than 70% of total revenue	74%		75%
	22.2 % of debtors revenue collected ( <i>actual total collections as a percentage of total levies/billings</i> )	90%	95%	85%
	22.3 % reduction of consumer debtor's book. June 2015 as the baseline	98%	98%	-20%
	22.4 % actual revenue generated as a percentage of the approved/adjusted budget	100%	100%	80%
	22.5 Billing done monthly no later than month end	0	100%	100%
	22.6 All meter readings to be completed by no later than 25th of every month	100%	100%	100%
	22.7 Warning letters issued no later than 20th of the month	100%	100%	100%
	22.8 Ensure that all cut offs have been effected by the service provider by no later than 25th of each month Excluding Eskom supplied areas	100%	100%	100%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 4):</b> Public Participation and Good Governance				
<b>Programme 20:</b> Intergovernmental Relations (IGR)				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
	22.9 Implement data purification project	100%	100%	100%
	22.10 Implementation of operations Patala	100%	n/a	100%
	22.11 Cash flow submitted to the Executive Mayor	100%	100%	100% 12 reports.

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability				
<b>Programme 23:</b> Expenditure Management and SCM				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
To implement an effective and efficient system of expenditure and supply chain management	23.1 % actual operating expenditure (OPEX) as a percentage of the approved/adjusted budget	90%	100%	90%
	23.2 % of MSIG allocation spent	100%	100%	100%
	23.3 % of FMG allocation spent	100%	100%	100%
	23.4 Creditors paid within 30 days of receipt of invoice (MFMA)	100%	100%	75%
	23.5 Bank recons done monthly	100%	100%	100%
	23.6 Salaries paid on time (27 <sup>th</sup> of every month)	100%	27 <sup>th</sup> of every month	27 <sup>th</sup> of every month
	23.7 Salary deductions paid on time (7 <sup>th</sup> of every month)	100%	7 <sup>th</sup> of every month	7 <sup>th</sup> of every month
	23.8 Insurance premium paid on time	100%	100%	100%
	23.9 Insurance claims received from depts. Submitted to insurer within 7 working days	100%	100%	100%
	23.10 Annual review of insurance premiums	100%	100%	100%
	23.11 Awarding quotations between R30 000 and R200 000 within 21 working days of receipt of the request	21days	21 days	21 days

	23.13 Tenders for bids above R200 000 processed and decided within 90 days of the advertisement	90 days	90 days	90 calendar days after closing date
	23.14 SCM policy and procedures strictly and fully complied with by SCM Unit	100%	100%	100%
	23.15% reduction in fruitless and wasteful, unauthorized and irregular expenditure			50%
	23.16 Annual update of database	100%	100%	100%
	23.17 Quarterly reporting to Council on tenders awarded	100%		100%
	23.18 Quarterly reporting to Council on deviations	100 %	100 %	100 %
	23.19 Quarterly reporting to Council on procurement from 30k – 200k	100 %	100 %	100 %
	23.20 Reporting to Council on stock counts done annually	100%	100%	100%
	23.21 Stock losses not to exceed 10% of physical stock	10%	7%	7%
Strategic Priority (SP5):Ensure more effective, accountable and clean local government that works together with national and provincial government				
Key Performance Area (KPA 5):Financial Management and Viability				
Programme 24: Budgeting and Reporting				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
To ensure that the municipal budget and financial reporting process are compliant with applicable legislation	24.1 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget for finance	90%	92%	91%
	24.2 % actual operating expenditure (OPEX) as a percentage of the approved /adjusted budget for finance	90%	92%	91%
	24.3 Draft Budget compiled and tabled by no later than 31 March	100%	100%	100%
	24.4 Adjustment Budget tabled by no later than end February	100%	100%	100%
	24.6 Annual budget (MTREF) compiled and approved in time	100%	100%	Annual budget (MTREF) compiled and approved by end of May 2016
	24.7 All budget related policies developed, reviewed and approved as per National Treasury and MFMA requirements			100% of all budget related policies developed, reviewed and approved as per National Treasury and

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability				
<b>Programme 24: Budgeting and Reporting</b>				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
				MFMA requirements
	24.8 Monthly budget statements (s71 of MFMA) are compiled and submitted to the Mayor by no later than 10 working days after the end of each month	100%	100%	100%
	24.9 Monthly National Treasury returns submitted on time	100%	100%	100%
	24.10 Quarterly National Treasury returns submitted on time	100%	100%	100%
	24.11 DoRA returns submitted on time (FMG & DWA) monthly	100%	100%	100%
	24.12 Mid-year assessment submitted to the Mayor by 25 January each year (s72 of MFMA)	100%	100%	100%
<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 5): Financial Management and Viability</b>				
<b>Programme 25: Clean Audit</b>				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
To ensure that the municipality received a Clean Audit Report	25.1 Annual Financial Statements submitted to the Auditor-General by the end of August	0%	100%	100%
	25.2 Action Plan on issues raised by internal audit, AG, compiled and implemented	90%	100%	100%
	25.3 Actual improvement in annual audit outcomes received from the Auditor-General	100%	Unqualified Audit Outcome	Unqualified Audit Outcome
	25.4 PROPAC resolutions implemented annually affecting finance	80%	100%	100%
<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 5): Financial Management and Viability</b>				
<b>Programme 26: Asset Management</b>				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To ensure the effective, efficient and economical management of	26.1 Fixed Asset Register (FAR) compiled and updated annually in line with GRAP requirements	100%	100%	100%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability				
<b>Programme 24: Budgeting and Reporting</b>				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
municipal assets	26.2 Physical verification of assets done annually	100%	100%	100%
<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability				
<b>Programme 27:Facilities Management</b>				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
To ensure the effective, efficient and economical management of municipal facilities To ensure the effective, efficient and economical management of municipal facilities	27.1 % of fleet management policy developed and submitted to Council for approval	100%	100%	100%
	27.2 % of centralised fleet management unit established	100%	100%	100%
	27.3 % of municipal buildings and corporate facilities managed effectively, efficiently and economically ( <i>includes council offices, equipment, furniture, etc.</i> ) as per allocated maintenance budget	100%	100%	100%
	27.4 % of ICT policy reviewed and submitted to Council for approval	100%	100%	100%
	27.5 % of ICT Steering committee established	100%	100%	100%
	27.6 Downtime of critical systems reduced to less than 5% of total uptime required	5%	5%	5%
<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 6):</b> Institutional Development and Transformation				
<b>Programme 28:Human Capital</b>				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
To provide sufficient and skilled human capital to enable all departments to function optimally in order to enhance institutional capacity and effective service delivery	28.1 All critical, approved and budgeted posts filled	80%	100%	80%
	28.2 Turnaround time maintained on recruitment: funded vacancies (from date of advertisement)	90 working days	90 working days	90 working days
	28.3Organizational structure reviewed	100%	100%	Organizational structure reviewed, submitted for approval
	28.4 Workplace skills plan (WSP) developed and implemented ,and annual training report (ATR) compiled and submitted to the LGSETA	100%	100%	Workplace skills plan (WSP) reviewed and



<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability				
<b>Programme 24: Budgeting and Reporting</b>				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
				approved
	28.5 % of staff trained as per WSP targets on an annual basis	100%	100%	100%
	28.6 EE report submitted to DOL in time i.e 15 January	0%	100%	100%
	28.7 % implementation of EE plan as per approved targets and measures	100%	100%	100%
	28.8 % of human resource-related policies revised and approved by Council	100%	100%	100%
	28.9 Measures to improve LLF functionality developed and implemented	10	10	LLF meeting as per schedule and resolutions taken and implemented
	28.10 % of grievances reported and handled in terms of Collective Agreements (within 5 days)	100%	100%	100%
<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 6):</b> Institutional Development and Transformation				
<b>Programme 29:Institutional Excellence</b>				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
To create a working environment that enables good staff morale, high performance and effective functioning of council structures	29.1 OD interventions developed and implemented	1	5	2
	29.2 Support services provided to Council in line with expected standards	100%	100%	Council schedule/programme compiled in time
	29.3 Agendas and minutes of Council and Committees compiled and sent in time	100%	100%	100%
	29.4 System for tracking implementation of Council resolutions developed	4	4 per annum	Tracking system developed and reports generated and submitted to Council quarterly
	29.5 % of Auditor General queries resolved by end of April	100%	100%	100%
	29.6 % actual capital expenditure (CAPEX) as a percentage of	100%	100%	100%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability				
<b>Programme 24: Budgeting and Reporting</b>				
Objectives	Key Performance Indicator (KPI)	Baseline (2014/15)	Five Year Target 2016/17	Annual Target 2015/16
	the approved/adjusted budget			
	29.7% actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	100%	100%	100%
	29.8 % of Development and updating of contract register quarterly ( Legal)	100%	100%	100%
	29.9 Conducting of awareness campaigns on Collective Agreements ( LR) (Annually)	1	3	1
	29.10 % of disciplinary cases initiated within 90 days	100%	100%	100%
	29.11 % of legal opinions provided on legal matters (Legal)	100%	100%	100%
	29.12 % of civil Matters/ cases defended against the municipality(Legal)	100%	100%	100%
	29.13 Control and management of the usage of telephone systems (monthly deductions of private calls from salary)	100%	100%	100%
	29.14 % of Telephone policy developed and approved	100%	100%	100%
	29.15 % of Data Card policy developed and approved	100%	100%	100%
	29.16 % of updated Declaration of Interest and Gift Register maintained	100%	100%	100%
	29.17 Number of Occupational Health and Safety Risk Assessment (annually)	1	3	1
	29.18 No of Occupational Health and Safety Awareness Workshops (Annually)	4	12	4
	29.19 % of Evacuation Plan developed and implemented (Annually)	100%	100%	100%
	29.20 Number of Employee Wellness Programmes provided to employees (e.g. alcohol and drug abuse, family violence)	1	3	1
	29.21 Employee Wellness Day arranged annually	1	3	1

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability				
<b>Programme 24: Budgeting and Reporting</b>				
<b>Objectives</b>	<b>Key Performance Indicator (KPI)</b>	<b>Baseline (2014/15)</b>	<b>Five Year Target 2016/17</b>	<b>Annual Target 2015/16</b>
	29.22 % of Review of Records Management policy (Annually)	100%	100%	100%
	29.23 % of Development and approval of Records Management Strategy	100%	100%	100%
	29.24 Installation of bathroom healthcare service	0 0	100%	100%

## 2.11 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

The Municipality enter into agreements for the rendering of printing services, office cleansing services and security services.

## 2.12 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Annexure A on page \_\_\_\_ to \_\_\_\_ reflect the detail Capital Budget

**Table 47MBRR SA 34a - Capital expenditure on new assets by asset class**

FS204 Metsimaholo - Supporting Table SA34a Capital expenditure on new assets by asset class

Description  R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		65 588	66 696	47 604	134 039	106 431	106 431	71 883	72 296	50 441
Infrastructure - Road transport		10 042	1 408	2 461	37 560	28 137	28 137	32 818	17 070	3 331
Roads, Pavements & Bridges		10 042	1 408	2 461	37 560	28 137	28 137	32 818	17 070	3 331
Storm water										
Infrastructure - Electricity		7 289	23 873	7 037	53 419	35 880	35 880	25 600	19 559	21 280
Generation										
Transmission & Reticulation		7 289	23 873	7 037	53 419	35 880	35 880	25 600	15 080	21 030
Street Lighting								–	4 479	250
Infrastructure - Water		20 712	6 873	5 254	5 825	5 565	5 565	1 765	9 500	–
Dams & Reservoirs		–								
Water purification		–								
Reticulation		20 712	6 873	5 254	5 825	5 565	5 565	1 765	9 500	–
Infrastructure - Sanitation		27 544	34 542	32 763	35 236	34 849	34 849	1 500	19 086	24 899
Reticulation		27 544	34 542	32 763	35 236	34 849	34 849	1 500	19 086	24 899
Sewerage purification										
Infrastructure - Other		–	–	89	2 000	2 000	2 000	10 200	7 080	930
Waste Management				89	2 000	2 000	2 000	1 500	4 730	270
Transportation								7 500	900	500
Gas										

Other							1 200	1 450	160
	100	3 343	–	18 148	9 457	9 457	7 674	280	16 585
Community									
Parks & gardens	–	–	–	2 081	–	–	–	–	–
Sports fields & stadia	–	1 093	–	7 704	7 704	7 704	7 674	280	16 585
Swimming pools	–	–	–	74	–	–	–	–	–
Community halls	–	2 250	–	61	–	–	–	–	–
Libraries	–	–	–	61	–	–	–	–	–
Recreational facilities	–	–	–	3 015	1 353	1 353	–	–	–
Fire, safety & emergency	–	–	–	–	–	–	–	–	–
Security and policing	100	–	–	750	–	–	–	–	–
Buses	–	–	–	–	–	–	–	–	–
Clinics	–	–	–	–	–	–	–	–	–
Museums & Art Galleries	–	–	–	–	–	–	–	–	–
Cemeteries	–	–	–	4 402	–	–	–	–	–
Social rental housing	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	400	400	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Buildings									
Other									
Investment properties	–	–	–	–	–	–	–	–	–
Housing development									
Other									
Other assets	12 425	870	140 663	31 645	35 830	35 830	16 213	27 589	20 858
General vehicles	9 698	–	463	4 255	6 707	6 707	1 395	2 448	2 067
Specialised vehicles	–	–	–	9 000	10 308	10 308	–	–	–
Plant & equipment	1 661	343	2 870	150	7 454	7 454	10 376	11 643	14 266
Computers - hardware/equipment				–					
Furniture and other office equipment	25	375	20	1 000	1 850	1 850	2 372	2 361	217
Civic Land and Buildings	198	152	3 572	830	1 460	1 460	2 020	500	1 155
Other Buildings				–	–	–			
Other Land			133 738	–	–	–	–	5 547	453
Surplus Assets - (Investment or Inventory)				–	–	–			
Other	844	–		16 410	8 051	8 051	50	5 090	2 700
Intangibles	–	–	–	–	–	–	–	–	–
Computers - software & programming									
Other (list sub-class)									
Total Capital Expenditure on new assets	78 113	70 910	188 267	183 832	151 718	151 718	95 770	100 165	87 883

Specialised vehicles		–	–	–	9 000	10 308	10 308	–	–	–
Refuse					4 000	2 722	2 722			
Fire					5 000	7 586	7 586			
Conservancy										
Ambulances										

**Table 48MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**

FS204 Metsimaholo - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>										
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>										
<u>Infrastructure</u>		-	-	-	-	-	-	12 000	10 000	18 000
Infrastructure - Road transport		-	-	-	-	-	-	12 000	10 000	18 000
<i>Roads, Pavements &amp; Bridges</i>								12 000	10 000	18 000
<i>Storm water</i>										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
<i>Generation</i>										
<i>Transmission &amp; Reticulation</i>										
<i>Street Lighting</i>										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
<i>Dams &amp; Reservoirs</i>										
<i>Water purification</i>										
<i>Reticulation</i>										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>										
<i>Sewerage purification</i>										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<i>Waste Management</i>										
<i>Transportation</i>										
<i>Gas</i>										
<i>Other</i>										
<u>Community</u>		-	-	-	-	-	-	630	942	2 822
Parks & gardens										
Sports fields & stadia										
Swimming pools								200	-	-
Community halls										
Libraries										
Recreational facilities								430	942	2 822
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing										
Other										
<u>Heritage assets</u>		-	-	-	-	-	-	-	-	-
Buildings										
Other										

May 2016

<u>Investment properties</u>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<u>Other assets</u>		-	-	-	2 020	-	-	4 846	16 870	13 720
General vehicles					2 020	-	-	160	150	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment								1 042	3 207	350
Computers - hardware/equipment								14	33	10
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land								3 630	13 480	13 360
Surplus Assets - (Investment or Inventory)										
Other										
<u>Intangibles</u>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Capital Expenditure on renewal of existing assets		-	-	-	2 020	-	-	17 476	27 812	34 542
<u>Specialised vehicles</u>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										
Renewal of Existing Assets as % of total capex		0,0%	0,0%	0,0%	1,1%	0,0%	0,0%	15,4%	21,7%	28,2%
Renewal of Existing Assets as % of deprecn"		0,0%	0,0%	0,0%	2,9%	0,0%	0,0%	23,8%	34,9%	40,9%

**Table 49MBRR SA34c - Repairs and maintenance expenditure by asset class**

FS204 Metsimaholo - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description  R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		59 345	53 764	53 769	75 727	77 001	77 001	82 973	88 497	94 370
Infrastructure - Road transport		19 665	14 602	11 736	27 748	28 297	28 297	29 970	31 823	33 741
<i>Roads, Pavements &amp; Bridges</i>		19 665	14 602	10 973	25 113	28 297	28 297	27 193	28 896	30 656
<i>Storm water</i>		–	–	763	2 635			2 777	2 927	3 085
Infrastructure - Electricity		14 553	13 318	14 054	16 698	17 253	17 253	17 620	18 824	20 094
<i>Generation</i>		1 235	–	–	–					
<i>Transmission &amp; Reticulation</i>		13 189	13 235	13 860	16 398	16 953	16 953	17 320	18 508	19 760
<i>Street Lighting</i>		129	83	195	300	300	300	300	316	333
Infrastructure - Water		11 383	10 669	8 533	14 217	14 271	14 271	16 070	17 183	18 325
<i>Dams &amp; Reservoirs</i>				–						
<i>Water purification</i>				–						
<i>Reticulation</i>		11 383	10 669	8 533	14 217	14 271	14 271	16 070	17 183	18 325
Infrastructure - Sanitation		8 871	10 227	16 455	11 369	11 634	11 634	13 250	14 168	15 263
<i>Reticulation</i>										
<i>Sewerage purification</i>		8 871	10 227	16 455	11 369	11 634	11 634	13 250	14 168	15 263
Infrastructure - Other		4 873	4 948	2 991	5 695	5 546	5 546	6 062	6 499	6 947
<i>Waste Management</i>		4 873	4 948	–	5 695	582	582	–	–	–
<i>Transportation</i>										
<i>Gas</i>										
<i>Other</i>				2 991		4 964	4 964	6 062	6 499	6 947
<b>Community</b>		1 105	194	83	669	384	384	782	781	813
Parks & gardens		–	24	58	2	2	2	252	264	275
Sportsfields & stadia		4		–	46	25	25	121	128	134
Swimming pools		–		–		–	–			
Community halls		0			25	209	209	131	96	99
Libraries		2	2	–	10	10	10	38	40	42
Recreational facilities		33	20		102	120	120	174	183	191
Fire, safety & emergency		–		–						
Security and policing		–		–						
Buses		–		–						
Clinics		–		–						
Museums & Art Galleries		–		–						
Cemeteries		–		–				21	23	23
Social rental housing		–		–						
Other		1 065	148	25	484	18	18	45	48	50
<b>Heritage assets</b>		–	–	–	–	–	–	–	–	–
Buildings										
Other										



<u>Investment properties</u>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<u>Other assets</u>		6 187	5 609	5 271	9 276	10 141	10 141	14 459	15 041	19 360
General vehicles		3 772	1 003	2 276	1 579	3 951	3 951	7 512	7 937	11 724
Specialised vehicles		1 751	1 748	1 070	2 792	2 766	2 766	-	-	-
Plant & equipment		212	82	234	271	439	439	1 109	1 096	1 523
Computers - hardware/equipment		-	536							
Furniture and other office equipment		452		1 301	2 301	1 789	1 789	2 387	2 396	2 382
Abattoirs		-		-						
Markets		-		-						
Civic Land and Buildings		-	1 405	390	1 180	1 196	1 196	2 639	2 749	2 828
Other Buildings		-		-				308	304	303
Other Land		-		-						
Surplus Assets - (Investment or Inventory)		-		-						
Other		1	835	-	1 154			505	560	600
<u>Intangibles</u>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other ( <i>list sub-class</i> )										
<b>Total Repairs and Maintenance Expenditure</b>		<b>66 638</b>	<b>59 567</b>	<b>59 123</b>	<b>85 672</b>	<b>87 526</b>	<b>87 526</b>	<b>98 214</b>	<b>104 320</b>	<b>114 543</b>

<u>Specialised vehicles</u>		1 751	1 748	1 070	2 792	2 766	2 766	-	-	-
Refuse		1 429	1 538	975	2 486	2 460	2 460			
Fire		322	210	95	306	306	306			
Conservancy				-						
Ambulances				-						

<i>R&amp;M as a % of PPE</i>		7,7%	6,4%	5,5%	8,0%	7,5%	7,5%	8,2%	8,3%	8,9%
<i>R&amp;M as % Operating Expenditure</i>		10,3%	8,7%	7,3%	9,2%	9,6%	9,6%	9,8%	9,6%	10,0%

## 2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting  
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting (Schedule C) to the Executive Mayor (within 10 working days) has progressively improved.
2. Internship programme  
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department, Budget and Treasury Office.  
The Budget and Treasury Office has been established in accordance with the MFMA.
3. Audit Committee  
An Audit Committee has been established and is fully functional.
4. Service Delivery and Implementation Plan  
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2016/17 MTREF in May 2016 directly aligned and informed by the 2016/17 MTREF.
5. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.
6. Risk management  
The municipality has an updated risk management strategy and plan in place.
7. Implementation of SCM  
The reviewed supply chain management policy of the municipality, in line with the MFMA and national treasury prescripts, was adopted by council in February 2012. All bid committees as required by the SCM regulations are in place and the bid adjudication is chaired by the chief financial officer and operates within delegated powers. The SCM policy is reviewed and updated.
8. Effectiveness of audit steering committees  
The audit steering committees is an ad-hoc committee established during the planning and execution of the annual audit. The committee usually comprise of officials of the municipality and the Auditor-General team performing the audit.
9. Reduction of short-term debt  
This regulation is not applicable to the municipality as overdraft facilities are managed within the context of section 45 of the MFMA relating to short-term debt.
10. Delegations  
All delegations are in place and council approved the generic financial delegations in November 2006. The delegations are process to be reviewed.

#### 11. Performance agreements

The new performance agreements for 2016//2017 will be finalised after the SDBIP has been approved.

#### 12. Implementation of GRAP

The key challenges for implementation of GRAP requirements are the following:

- Asset Register. Full compliance GRAP achieved, 30 June 2011.
- Investment property guidelines implemented - 30 June 2011
- Employee benefits fully captured. 30 June 2011
- Unbundling of PPE as per guidelines 30 June 2011.
- Not all stands are transferred in terms of housing scheme - 30 June 2016
- Lease : Government Garage treated as operating lease
- Debtors impaired.
- Billing information to be updated to accurate information for statements.

#### 13. Development of accounting policies

Several accounting policies have been developed to ensure the requirements of Circular 36 are complied with. The further development of accounting policies will be guided with exemptions as agreed with National Treasury on an annual basis.

#### 14. Inventories - unsold water

The inventories of unsold water are available from the Technical Section responsible. The water in "stock" is  $\pm 45$  mega litre and recorded daily. The reservoirs and pipes will be subject to stock taking on 30 June 2016. The detail of water losses need to be investigated to see if these stock levels needs to be impaired for the resale value of the water. The information is in the process to be updated.

#### 15. Asset register

The physical asset count will be performed and communicated by the external service provider. The unbundling of PPE as well as impairment and investment property guidelines were addressed in 2010/2011. A service provider was appointed. The project to be GRAP 17 compliant was completed at 30 June 2011. The asset register is GRAP compliant.

#### 16. mSCOA

Council received on regular basis reports on mSCOA.

The mSCOA Steering committee and Project Implementation plan Committee are established.

Attached as Annexure B and C are the Self-assessment and Project Plan.

## 2.14 Other supporting documents

**Table 50 MBRR Table SA1-Supporting detail to budgeted financial performance**

FS204 Metsimaholo - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
<b>REVENUE ITEMS:</b>											
<u>Property rates</u>											
Total Property Rates		100 933	115 374	126 628	118 457	122 597	122 597		134 280	142 605	151 019
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>		8 448	18 998	15 329	11 071	19 457	19 457		20 913	21 689	22 473
Net Property Rates		92 485	96 376	111 299	107 386	103 140	103 140	–	113 366	120 916	128 546
<u>Service charges - electricity revenue</u>											
Total Service charges - electricity revenue		177 193	193 449	203 719	248 373	244 083	244 083		294 861	324 347	356 782
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>		8 468	10 373	4 452							
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>		4 647	4 859	3 926	5 150	3 030	3 030		10 808	11 889	13 078
Net Service charges - electricity revenue		164 079	178 217	195 341	243 223	241 053	241 053	–	284 053	312 458	343 704
<u>Service charges - water revenue</u>											
Total Service charges - water revenue		182 254	204 259	273 812	328 863	321 470	321 470		370 898	393 894	417 133
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>		11 967	13 176	15 886	8 860	9 979	9 979		9 302	9 879	10 461
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>		15 123	15 560	8 510	12 936	12 936	12 936		12 049	12 796	13 551
Net Service charges - water revenue		155 164	175 524	249 416	307 067	298 555	298 555	–	349 547	371 219	393 121
<u>Service charges - sanitation revenue</u>											
Total Service charges - sanitation revenue		21 995	24 235	24 946	32 303	27 372	27 372		33 864	35 963	38 085

<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>	1 177	1 622	1 914	1 721	1 721	1 721		1 630	1 731	1 833
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>	6 141	6 464	4 945	6 332	5 758	5 758		10 689	11 352	12 022
Net Service charges - sanitation revenue	14 677	16 150	18 087	24 250	19 894	19 894	–	21 545	22 880	24 230
<u>Service charges - refuse revenue</u>										
Total refuse removal revenue	27 526	29 606	32 083	47 947	35 618	35 618		46 448	49 328	52 239
Total landfill revenue										
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>								–	–	–
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>	11 445	12 217	8 286	12 329	8 940	8 940		18 641	19 797	20 965
Net Service charges - refuse revenue	16 081	17 390	23 796	35 618	26 678	26 678	–	27 807	29 531	31 274
<u>Other Revenue by source</u>										
Fundraising	20	–	–	100	100	100		–	100	100
Legal cost	2 210	–	4 254	4 997	4 997	4 997		5 266	5 551	5 850
Departmental Income	–	–	–	–	–	–		–	–	–
Training	224	–	849	248	428	428		1 428	1 505	1 587
Other Revenue	2 325	2 947	13 558	515	551	551		633	664	617
Total 'Other' Revenue	4 779	2 947	18 661	5 860	6 075	6 075	–	7 328	7 820	8 154
<b>EXPENDITURE ITEMS:</b>										
<u>Employee related costs</u>										
Basic Salaries and Wages	106 949	116 084	112 323	133 771	141 757	141 757		148 780	159 482	170 497
Pension and UIF Contributions	16 909	18 687	16 843	22 576	23 929	23 929		26 177	28 062	30 025
Medical Aid Contributions	8 862	10 964	9 663	11 501	13 299	13 299		14 539	15 586	17 103
Overtime	17 371	16 393	10 635	13 109	13 462	13 462		16 590	17 785	19 012
Performance Bonus	–	–	–	–	341	341		704	755	807
Motor Vehicle Allowance	6 747	12 396	14 556	15 408	16 369	16 369		18 634	19 976	21 354
Cellphone Allowance	41		–	983	983	983		1 043	1 118	1 195
Housing Allowances	966	630	932	925	1 217	1 217		1 502	1 541	1 790
Other benefits and allowances	10 242	10 712	8 045	21 146	11 294	11 294		17 680	19 313	20 991
Payments in lieu of leave	261	485	2 082	3 541	3 541	3 541		3 785	4 058	4 338
Long service awards	388	380	–							
Post-retirement benefit obligations	1 436	1 667	–							
<i>sub-total</i>	170 173	188 398	175 080	222 960	226 193	226 193	–	249 435	267 675	287 111
<u>Less: Employees costs capitalised to PPE</u>										

Total Employee related costs	170 173	188 398	175 080	222 960	226 193	226 193	–	249 435	267 675	287 111
<u>Contributions recognised - capital</u>										
<i>List contributions by contract</i>										
Total Contributions recognised - capital	–	–	–	–	–	–	–	–	–	–
<u>Depreciation &amp; asset impairment</u>										
Depreciation of Property, Plant & Equipment	43 309	32 238	38 692	70 084	70 084	70 084		73 535	79 658	84 406
Lease amortisation										
Capital asset impairment										
Depreciation resulting from revaluation of PPE										
Total Depreciation & asset impairment	43 309	32 238	38 692	70 084	70 084	70 084	–	73 535	79 658	84 406
<u>Bulk purchases</u>										
Electricity Bulk Purchases	144 367	155 375	166 459	190 891	191 491	191 491		216 662	245 911	270 503
Water Bulk Purchases	90 751	100 198	112 761	133 972	133 392	133 392		154 993	170 232	186 976
Total bulk purchases	235 118	255 573	279 220	324 864	324 883	324 883	–	371 654	416 143	457 480
<u>Transfers and grants</u>										
Cash transfers and grants	9 663	–	–	–	–	–	–	–	–	–
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–	–
Total transfers and grants	9 663	–	–	–	–	–	–	–	–	–
<u>Contracted services</u>										
<i>Security services</i>	9 821	12 200	69 404	18 000	18 000	18 000		20 000	21 080	22 218
<i>Printing Services</i>	1 327	2 066	3 212	4 032	4 319	4 319		4 608	4 823	5 048
<i>Cash Security Services</i>	284	70	–	422	380	380		444	468	470
<i>Cleansing Services</i>	1 738	1 725	1 673	2 635	2 135	2 135		2 777	2 927	3 085
<i>Other</i>	6 852	7 912	8 927	8 512	8 513	8 513		8 702	8 902	4 042
<i>sub-total</i>	20 022	23 972	83 216	33 601	33 347	33 347	–	36 532	38 200	34 864
Allocations to organs of state:										
Electricity										
Water										
Sanitation										
Other										
Total contracted services	20 022	23 972	83 216	33 601	33 347	33 347	–	36 532	38 200	34 864

<b>Other Expenditure By Type</b>	-									
Collection costs										
Contributions to 'other' provisions										
Consultant fees	7 284	8 085	-							
Audit fees	3 724	4 366	5 608	5 280	4 780	4 780		5 722	6 243	6 392
General expenses	5 612	15 865	22 764	67 977	23 262	23 262		33 987	33 099	36 433
Advertising	1 177	848	1 384	1 653	1 417	1 417		1 982	2 226	2 437
Bursaries	1 676	1 133	1 941	2 682	2 400	2 400		2 500	2 523	2 546
Computer Systems	369	1 170	2 812	2 400	3 950	3 950		3 900	3 900	3 900
Conferences and delegations	1 027	891	806	1 822	1 887	1 887		1 268	1 326	3 378
Connection charges	414	496	631	1 056	666	666		1 059	1 116	1 176
Fuel and oil vehicles	6 862	7 498	4 371	7 808	7 175	7 175		8 069	8 499	8 416
Legal Expenses	4 868	-	6 165	5 002	11 092	11 092		10 272	11 557	12 157
Membership fees	1 589	1 838	2 120	2 567	2 559	2 559		2 751	2 912	3 071
Postage	1 433	1 389	1 447	1 644	1 944	1 944		1 733	1 826	1 925
Printing and Stationary	1 537	849	724	1 202	1 030	1 030		1 240	1 371	1 457
Public programs	2 044	-	1 611	3 004	4 828	4 828		2 921	3 323	3 494
Rental External Equipment	1 143	1 306	1 481	2 264	5 112	5 112		5 558	5 827	6 128
Sewer Treatment	12 560	-	14 278	17 607	17 607	17 607		17 980	19 431	21 000
Stocks and materials	1 009	13 517	770	4 753	5 190	5 190		2 774	8 734	3 007
Telephone	2 243	815	1 943	2 000	2 000	2 000		2 108	2 222	2 342
Uniforms	978	1 516	597	2 126	2 494	2 494		2 373	2 467	2 905
Valuation costs	2 276	870	641	1 054	354	354		4 000	3 000	2 000
Bank charges	1 378	433	422	490	390	390		390	400	420
Insurance	1 708	452	1 144	1 334	1 746	1 746		2 816	2 956	3 238
Professional Fees	-	741		9 075	11 039	11 039		11 052	13 688	12 846
	-	-								
<b>Total 'Other' Expenditure</b>	<b>62 909</b>	<b>64 077</b>	<b>73 660</b>	<b>144 799</b>	<b>112 921</b>	<b>112 921</b>	<b>-</b>	<b>126 454</b>	<b>138 645</b>	<b>140 668</b>

<b>Repairs and Maintenance by Expenditure Item</b>										
Employee related costs	43 030	44 385	33 431	52 135	53 735	53 735		60 016	64 341	68 952
Other materials	23 608	15 182	25 693	33 537	33 791	33 791		38 198	39 979	45 591
Contracted Services										
Other Expenditure										
<b>Total Repairs and Maintenance Expenditure</b>	<b>66 638</b>	<b>59 567</b>	<b>59 124</b>	<b>85 672</b>	<b>87 526</b>	<b>87 526</b>	<b>-</b>	<b>98 214</b>	<b>104 320</b>	<b>114 543</b>

**Table 51MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**

FS204 Metsimaholo - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Council/Mayor, Speaker and Councillors	Vote 2 - Municipal Manager	Vote 3 - Organisational Development & Corporate Services	Vote 4 - Social Services	Vote 5 - Infrastructure Services	Vote 6 - Financial Services	Vote 7 - Local Economic Development	Total
R thousand									
<b>Revenue By Source</b>									
Property rates							113 366		113 366
Service charges - electricity revenue						284 053			284 053
Service charges - water revenue						349 547			349 547
Service charges - sanitation revenue						21 545			21 545
Service charges - refuse revenue					28 634				28 634
Service charges - other			600	250	3 051	3 283	4 350	1 895	13 429
Rental of facilities and equipment					1 780			4 000	5 780
Interest earned - external investments							2 600		2 600
Interest earned - outstanding debtors					1 241	11 976	5 723		18 940
Dividends received									-
Fines					3 025				3 025
Licences and permits					191				191
Other revenue				1 428	585		5 266	50	7 329
Transfers recognised - operational			2 031		21 701	44 478	63 484		131 694
Gains on disposal of PPE								1 001	1 001
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	2 631	1 678	60 208	714 882	194 789	6 946	981 134
<b>Expenditure By Type</b>	-								
Employee related costs		12 575	26 638	17 611	78 985	67 551	31 085	14 991	249 435
Remuneration of councillors		16 343	-	-	-	-	-	-	16 343
Debt impairment		-	-	-	5 926	61 650	16 865	-	84 441
Depreciation & asset impairment		161	8 575	1 289	6 006	54 054	1 250	2 232	73 566
Finance charges		-	-	-					-
Bulk purchases		-	-	-		371 654			371 654
Other materials		21	3 079	743	5 814	28 148	102	293	38 199
Contracted services		325	20 417	4 741	2 336	5 047	3 542	124	36 532
Transfers and grants		-	-						-
Other expenditure		9 039	(5 981)	5 105	40 671	76 322	(2 095)	6 432	129 493
Loss on disposal of PPE									-
<b>Total Expenditure</b>		38 464	52 727	29 489	139 737	664 427	50 749	24 072	999 664



Surplus/(Deficit)		(38 464)	(50 096)	(27 811)	(79 529)	50 455	144 040	(17 126)	(18 530)
Transfers recognised - capital			1 100		7 674	58 318	-	-	67 092
Contributions recognised - capital									-
Contributed assets									-
Surplus/(Deficit) after capital transfers & contributions		(38 464)	(48 996)	(27 811)	(71 855)	108 773	144 040	(17 126)	48 562

**Table 52 MBRR Table SA3 – Supporting detail to Statement of Financial Position**

FS204 Metsimaholo - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
<b>ASSETS</b>											
<u>Call investment deposits</u>											
Call deposits < 90 days		7 000	16 826	11 332					10 000	5 000	20 000
Other current investments > 90 days											
Total Call investment deposits		7 000	16 826	11 332	–	–	–	–	10 000	5 000	20 000
<u>Consumer debtors</u>											
Consumer debtors		441 432	549 914	639 041	754 454	810 086	810 086		909 011	1 000 852	1 083 791
Less: Provision for debt impairment		(347 896)	(439 247)	(477 277)	(606 128)	(574 170)	(574 170)		(656 071)	(733 171)	(802 953)
Total Consumer debtors		93 536	110 667	161 764	148 326	235 916	235 916	–	252 940	267 681	280 838
<u>Debt impairment provision</u>											
Balance at the beginning of the year		260 896	315 379	385 796	521 849	477 277	477 277		574 170	656 071	733 171
Contributions to the provision		80 582	131 262	94 653	84 279	97 146	97 146		81 901	77 100	69 782
Bad debts written off		(26 100)	(7 394)	(3 172)		(253)	(253)				
Balance at end of year		315 379	439 247	477 277	606 128	574 170	574 170	–	656 071	733 171	802 953
<u>Property, plant and equipment (PPE)</u>											
PPE at cost/valuation (excl. finance leases)		1 956 324	1 986 482	2 174 065	2 291 350	2 307 783	2 307 783		2 438 029	2 567 006	2 689 431
Leases recognised as PPE		33 880				18 000	18 000		1 000		
Less: Accumulated depreciation		1 124 963	1 060 949	1 093 693	1 222 005	1 163 777	1 163 777		1 237 312	1 316 970	1 401 376
Total Property, plant and equipment (PPE)		865 241	925 533	1 080 372	1 069 345	1 162 006	1 162 006	–	1 201 717	1 250 036	1 288 055
<b>LIABILITIES</b>											
<u>Current liabilities - Borrowing</u>											
Short term loans (other than bank overdraft)		–									
Current portion of long-term liabilities		20 420	1 941	1 163	4 199	1 267	1 267		4 941	5 438	5 945
Total Current liabilities - Borrowing		20 420	1 941	1 163	4 199	1 267	1 267	–	4 941	5 438	5 945
<u>Trade and other payables</u>											
Trade and other creditors		132 912	168 299	190 247	137 000	142 000	142 000		150 000	154 500	161 000
Unspent conditional transfers		5 109	3 504	1 576							

VAT		–		5 438			2 000		4 000	3 500	1 900
Total Trade and other payables		138 021	171 803	197 262	137 000	142 000	144 000	–	154 000	158 000	162 900
<b><u>Non current liabilities - Borrowing</u></b>											
Borrowing		8 017	6 947	5 784	18 498	4 517	4 517		13 718	7 783	1 331
Finance leases (including PPP asset element)						16 816	16 816				
Total Non current liabilities - Borrowing		8 017	6 947	5 784	18 498	21 333	21 333	–	13 718	7 783	1 331
<b><u>Provisions - non-current</u></b>											
Retirement benefits		30 414	80 267	44 625	49 905	46 846	46 846		50 401	54 168	58 162
List other major provision items											
Refuse landfill site rehabilitation		31 600		44 894	41 021	48 068	48 068		55 065	62 265	69 765
Other		15 099									
Total Provisions - non-current		77 113	80 267	89 519	90 926	94 914	94 914	–	105 466	116 433	127 927
<b>CHANGES IN NET ASSETS</b>											
<b><u>Accumulated Surplus/(Deficit)</u></b>											
Accumulated Surplus/(Deficit) - opening balance		857 939	844 738	919 467	1 086 463	1 086 463	1 086 463		1 248 659	1 312 294	1 361 282
GRAP adjustments											
Restated balance		857 939	844 738	919 467	1 086 463	1 086 463	1 086 463	–	1 248 659	1 312 294	1 361 282
Surplus/(Deficit)		722	47 094	152 322	41 077	30 017	30 017	–	48 562	37 007	52 253
Appropriations to Reserves											
Transfers from Reserves						133 738	133 738				
Depreciation offsets		1									
Other adjustments		(13 924)	27 635	14 673	(38 425)	600	(1 559)		15 073	11 981	17 838
Accumulated Surplus/(Deficit)		844 738	919 467	1 086 463	1 089 115	1 250 818	1 248 659	–	1 312 294	1 361 282	1 431 373
<b><u>Reserves</u></b>											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves		–	–	–	–	–	–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		844 738	919 467	1 086 463	1 089 115	1 250 818	1 248 659	–	1 312 294	1 361 282	1 431 373

**Table 53MBRR Table SA9 – Social, economic and demographic statistics and assumptions**

FS204 Metsimaholo - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2012/13	2013/14	2014/15	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>												
Population		Stats SA, Erf and occupational data plus growth 3% pa	116	131	149	158	162	166	169	174	174	174
Young (0-14)			32		39				44	46	46	46
Working Age (15-64)			80		103				117	120	120	120
Elderly (65+)			4		7				7	7	7	7
Females aged 5 - 14												
Males aged 5 - 14												
Females aged 15 - 34												
Males aged 15 - 34												
Unemployment												
<b>Monthly household income (no. of households)</b>	1, 12	–										
No income					10 698				12 020	12 366	12 366	12 366
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400												
R6 401 - R12 800												
R12 801 - R25 600					12 435				13 972	14 374	14 374	14 374
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800					12 227				13 738	14 134	14 134	14 134
R204 801 - R409 600												
R409 601 - R819 200					14 334				16 105	16 570	16 570	16 570
> R819 200												
<b>Poverty profiles (no. of households)</b>												
< R2 060 per household per month												
Insert description												

<u>Household/demographics</u> (000)												
Number of people in municipal area	Erf and occupational data (3 / per household)	116	131	149	158	163	166	169	174	174	174	174
Number of poor people in municipal area	Estimated to 55% of population (< R3500 pm)	64	72	82	87	89	91	93	96	96	96	96
Number of households in municipal area	Erf and occupational data (3 / per household)	32	39	46	53	55	55	56	58	58	58	58
Number of poor households in municipal area	Estimated to 62% of population (< R3500 pm)	20	23	26	27	28	29	29	30	30	30	30
Definition of poor household (R per month)	An informal settlement, a poor person or an indigent, meaning a person lacking adequate money or means to live comfortably, residing on un-developed or developed municipal erven or open spaces, identifiable as the most needy of households, eligible for housing and the very poorest in the local community and that policies are aimed at providing as much assistance as possible or to provide in the urgent need for land on which to settle in a less formal manner											
<u>Housing statistics</u>												
Formal		20 517		33 424			35 643	37 309	38 383	38 383	38 383	38 383
Informal		3 000		5 000			7 679	8 881	9 062	9 062	9 062	9 062
Total number of households		23 517	-	38 424	-	-	43 322	46 190	47 445	47 445	47 445	47 445
Dwellings provided by municipality		-	-	-	-	-	-	-	-	-	-	-
Dwellings provided by province/s		302	887	524	1 100	96	30	149	2 000	2 000	2 000	2 000
Dwellings provided by private sector		-	-	-	-	-	-	-	-	-	-	-
Total new housing dwellings		302	887	524	1 100	96	30	149	2 000	2 000	2 000	2 000
<u>Economic</u>												
Inflation/inflation outlook (CPIX)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												

<u>Collection rates</u>											
Property tax/service charges											
Rental of facilities & equipment											
Interest - external investments											
Interest - debtors											
Revenue from agency services											

## Detail on the provision of municipal services for A10

Total municipal services	Ref.		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		<u>Household service targets (000)</u>									
		<u>Water:</u>									
		Piped water inside dwelling	25 000	25 000	27 000	27 000	27 000	27 000	37 096	41 046	50 546
		Piped water inside yard (but not in dwelling)	2 000	2 000	27 000	-	-	-	-	-	-
		Using public tap (at least min.service level)	-	-	-	-	-	-	-	-	-
		Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	27 000	27 000	54 000	27 000	27 000	27 000	37 096	41 046	50 546
		Using public tap (< min.service level)	2 000	3 424	887	7 670	8 000	8 000	-	-	-
		Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
		No water supply	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	2 000	3 424	887	7 670	8 000	8 000	-	-	-
		Total number of households	29 000	30 424	54 887	34 670	35 000	35 000	37 096	41 046	50 546
		<u>Sanitation/sewerage:</u>									
		Flush toilet (connected to sewerage)	19 000	19 000	19 000	19 368	19 368	19 368	33 368	37 318	46 818
		Flush toilet (with septic tank)	1 000	1 000	1 000	1 000	1 000	1 000	3 617	3 617	3 617
		Chemical toilet	6 000	6 000	-	-	-	-	-	-	-
		Pit toilet (ventilated)	-	-	-	-	-	-	-	-	-
		Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	26 000	26 000	20 000	20 368	20 368	20 368	36 985	40 935	50 435
		Bucket toilet	2 000	2 383	2 025	1 657	1 657	1 657	-	-	-

		Other toilet provisions (< min.service level)	-	9 769	6 512	12 645	12 645	12 645	-	-	-
		No toilet provisions	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	2 000	12 152	8 537	14 302	14 302	14 302	-	-	-
		Total number of households	28 000	38 152	28 537	34 670	34 670	34 670	36 985	40 935	50 435
		<u>Energy:</u>									
		Electricity (at least min.service level)	6 000	7 000	7 000	1 500	1 500	1 500	-	-	-
		Electricity - prepaid (min.service level)	28 000	34 500	34 850	35 000	35 000	35 000	38 133	38 133	40 670
		<i>Minimum Service Level and Above sub-total</i>	34 000	41 500	41 850	36 500	36 500	36 500	38 133	38 133	40 670
		Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
		Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
		Other energy sources	-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
		Total number of households	34 000	41 500	41 850	36 500	36 500	36 500	38 133	38 133	40 670
		<u>Refuse:</u>									
		Removed at least once a week	45 000	49 000	52 000	52 000	52 000	52 000	53 000	54 000	55 000
		<i>Minimum Service Level and Above sub-total</i>	45 000	49 000	52 000	52 000	52 000	52 000	53 000	54 000	55 000
		Removed less frequently than once a week	10 000	10 000	10 000	10 000	-	-	-	-	-
		Using communal refuse dump	10 000	49 000	52 000	52 000	52 000	52 000	53 000	54 000	55 000
		Using own refuse dump	-	-	-	-	-	-	-	-	-
		Other rubbish disposal	-	-	-	-	-	-	-	-	-
		No rubbish disposal	10 000	10 000	10 000	10 000	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	30 000	69 000	72 000	72 000	52 000	52 000	53 000	54 000	55 000
		Total number of households	75 000	118 000	124 000	124 000	104 000	104 000	106 000	108 000	110 000
Municipal in-house services	Ref.		2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		Household service targets (000)									
		<u>Water:</u>									
		Piped water inside dwelling	25 000	25 000	27 000	27 000	27 000	27 000	37 096	41 046	50 546
		Piped water inside yard (but not in dwelling)	2 000	2 000	27 000	-					
		Using public tap (at least min.service level)									
		Other water supply (at least									

min.service level)								
<i>Minimum Service Level and Above</i>								
<i>sub-total</i>	27 000	27 000	54 000	27 000	27 000	27 000	37 096	41 046
Using public tap (< min.service level)	2 000	3 424	887	7 670	8 000	8 000	–	–
Other water supply (< min.service level)								
No water supply								
<i>Below Minimum Service Level sub-total</i>	2 000	3 424	887	7 670	8 000	8 000	–	–
Total number of households	29 000	30 424	54 887	34 670	35 000	35 000	37 096	41 046
<u>Sanitation/sewerage:</u>								
Flush toilet (connected to sewerage)	19 000	19 000	19 000	19 368	19 368	19 368	33 368	37 318
Flush toilet (with septic tank)	1 000	1 000	1 000	1 000	1 000	1 000	3 617	3 617
Chemical toilet	6 000	6 000	–	–				
Pit toilet (ventilated)								
Other toilet provisions (> min.service level)								
<i>Minimum Service Level and Above</i>	26 000	26 000	20 000	20 368	20 368	20 368	36 985	40 935
<i>sub-total</i>	2 000	2 383	2 025	1 657	1 657	1 657		
Bucket toilet								
Other toilet provisions (< min.service level)		9 769	6 512	12 645	12 645	12 645		
No toilet provisions								
<i>Below Minimum Service Level sub-total</i>	2 000	12 152	8 537	14 302	14 302	14 302	–	–
Total number of households	28 000	38 152	28 537	34 670	34 670	34 670	36 985	40 935
<u>Energy:</u>								
Electricity (at least min.service level)	6 000	7 000	7 000	1 500	1 500	1 500	–	–
Electricity - prepaid (min.service level)	28 000	34 500	34 850	35 000	35 000	35 000	38 133	38 133
<i>Minimum Service Level and Above</i>	34 000	41 500	41 850	36 500	36 500	36 500	38 133	38 133
<i>sub-total</i>								
Electricity (< min.service level)								
Electricity - prepaid (< min. service level)								
Other energy sources								
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–
Total number of households	34 000	41 500	41 850	36 500	36 500	36 500	38 133	38 133
<u>Refuse:</u>								
Removed at least once a week	45 000	49 000	52 000	52 000	52 000	52 000	53 000	54 000
<i>Minimum Service Level and Above</i>	45 000	49 000	52 000	52 000	52 000	52 000	53 000	54 000
<i>sub-total</i>								
Removed less frequently than once a week	10 000	10 000	10 000	10 000	–	–	–	–
Using communal refuse dump	10 000	49 000	52 000	52 000	52 000	52 000	53 000	54 000



		Using own refuse dump								
		Other rubbish disposal								
		No rubbish disposal	10 000	10 000	10 000	10 000	–	–	–	–
		<i>Below Minimum Service Level sub-total</i>	30 000	69 000	72 000	72 000	52 000	52 000	53 000	54 000
		Total number of households	75 000	118 000	124 000	124 000	104 000	104 000	106 000	108 000
Detail of Free Basic Services (FBS) provided			2012/13	2013/14	2014/15	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18
Electricity	Ref.	<u>Location of households for each type of FBS</u>								
List type of FBS service		Formal settlements - (50 kwh per indigent household per month R'000)	4 646 664	4 859 141	3 926 415	5 149 950	3 030 000	3 030 000	10 808 150	11 888 960
		Number of HH receiving this type of FBS	11 734	11 576	7 246	10 000	10 000	10 000	14 000	14 000
		Informal settlements (R'000)								
		Number of HH receiving this type of FBS								
		Informal settlements targeted for upgrading (R'000)								
		Number of HH receiving this type of FBS								
		Living in informal backyard rental agreement (R'000)								
		Number of HH receiving this type of FBS								
		Other (R'000)								
		Number of HH receiving this type of FBS								
		Total cost of FBS - Electricity for informal settlements	–	–	–	–	–	–	–	–
Water	Ref.	<u>Location of households for each type of FBS</u>								
List type of FBS service		Formal settlements - (6 kilolitre per indigent household per month R'000)	15 122 808	15 559 585	8 509 517	12 936 000	12 936 000	12 936 000	12 048 960	12 795 990
		Number of HH receiving this type of FBS	11 734	11 576	7 246	10 000	10 000	10 000	14 000	14 000
		Informal settlements (R'000)								
		Number of HH receiving this type of FBS								
		Informal settlements targeted for upgrading (R'000)								
		Number of HH receiving this type of FBS								
		Living in informal backyard rental agreement (R'000)								

		<i>Number of HH receiving this type of FBS</i>								
		Other (R'000)								
		<i>Number of HH receiving this type of FBS</i>								
		Total cost of FBS - Water for informal settlements	-	-	-	-	-	-	-	-
Sanitation	Ref.	<u>Location of households for each type of FBS</u>								
List type of FBS service		Formal settlements - (free sanitation service to indigent households)	6 140 569	6 463 704	4 945 163	6 332 170	5 757 600	5 757 600	10 689 190	11 351 910
		<i>Number of HH receiving this type of FBS</i>	8 125	7 939	7 246	10 000	10 000	10 000	14 000	14 000
		Informal settlements (R'000)								
		<i>Number of HH receiving this type of FBS</i>								
		Informal settlements targeted for upgrading (R'000)								
		<i>Number of HH receiving this type of FBS</i>								
		Living in informal backyard rental agreement (R'000)								
		<i>Number of HH receiving this type of FBS</i>								
		Other (R'000)								
		<i>Number of HH receiving this type of FBS</i>								
		Total cost of FBS - Sanitation for informal settlements	-	-	-	-	-	-	-	-
Refuse Removal	Ref.	<u>Location of households for each type of FBS</u>								
List type of FBS service		Formal settlements - (removed once a week to indigent households)	11 445 278	12 216 696	8 286 489	12 328 850	8 940 000	8 940 000	18 641 150	19 796 890
		<i>Number of HH receiving this type of FBS</i>	11 734	11 576	7 246	10 000	10 000		14 000	14 000
		Informal settlements (R'000)								
		<i>Number of HH receiving this type of FBS</i>								
		Informal settlements targeted for upgrading (R'000)								
		<i>Number of HH receiving this type of FBS</i>								
		Living in informal backyard rental agreement (R'000)								
		<i>Number of HH receiving this type of FBS</i>								
		Other (R'000)								
		<i>Number of HH receiving this type of FBS</i>								
		Total cost of FBS - Refuse Removal for informal settlements	-	-	-	-	-	-	-	-

## 2.15 Municipal manager's quality certificate

I, Steve M Molala, Municipal Manager of Metsimaholo Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name     Steve M Molala

Municipal Manager of Metsimaholo Local Municipality (FS 204)

Signature \_\_\_\_\_

Date            23/05/2016